

# EXHIBIT A



**Service of Process  
Transmittal**

09/28/2020

CT Log Number 538312899

**TO:** Michael Johnson, Legal Assistant  
The Hartford  
1 Hartford Plz, HO-1-09  
Hartford, CT 06155-0001

**RE: Process Served in Connecticut**

**FOR:** The Hartford Financial Services Group, Inc. (Domestic State: DE)

**ENCLOSED ARE COPIES OF LEGAL PROCESS RECEIVED BY THE STATUTORY AGENT OF THE ABOVE COMPANY AS FOLLOWS:**

**TITLE OF ACTION:** Dartcom, LLC, etc., Pltf. vs. The Hartford Financial Services Group, Inc. and Twin City Fire Insurance Company, Dfts.

**DOCUMENT(S) SERVED:** Attachment(s), Summons, Proof, Complaint, Notice(s), Order(s), Cover Sheet(s), Request(s), Certificate(s)

**COURT/AGENCY:** Suffolk County - Superior Court, MA  
Case # 2084CV01744B

**NATURE OF ACTION:** Insurance Litigation

**ON WHOM PROCESS WAS SERVED:** C T Corporation System, East Hartford, CT

**DATE AND HOUR OF SERVICE:** By Process Server on 09/28/2020 at 13:16

**JURISDICTION SERVED :** Connecticut

**APPEARANCE OR ANSWER DUE:** Within 20 days (Document(s) may contain additional answer dates)

**ATTORNEY(S) / SENDER(S):** Benjamin R. Zimmermann  
Sugarman and Sugarman, P.C.  
800 Boylston Street  
30th Floor  
Boston, MA 02199  
617-542-1000

**ACTION ITEMS:** CT has retained the current log, Retain Date: 09/28/2020, Expected Purge Date: 10/03/2020  
  
Image SOP  
  
Email Notification, Michael Johnson MICHAEL.JOHNSON@THEHARTFORD.COM  
  
Email Notification, Fiona Rosenberg Fiona.Rosenberg@thehartford.com

**SIGNED:** C T Corporation System  
**ADDRESS:** 155 Federal St Ste 700  
Boston, MA 02110-1727

**For Questions:** 800-448-5350  
MajorAccountTeam1@wolterskluwer.com

**Business Inquiry**

<b>Business Details</b>			
Business Name:	THE HARTFORD FINANCIAL SERVICES GROUP, INC.	Citizenship/State Inc:	Foreign/DE
Business ID:	0192363	Last Report Filed Year:	2019
Business Address:	ONE HARTFORD PLAZA, HARTFORD, CT, 06155, USA	Business Type:	Stock
Mailing Address:	ONE HARTFORD PLAZA, HO-1-11, HARTFORD, CT, 06155, USA	Business Status:	Active
Date Inc/Registration:	Dec 18, 1986	Name in State of INC:	THE HARTFORD FINANCIAL SERVICES GROUP, INC.
Annual Report Due Date:	12/28/2020		
NAICS Code:	NONE	NAICS Sub Code:	NONE

<b>Principals Details</b>		
Name/Title	Business Address	Residence Address
DONALD C. HUNT CORPORATE SECRETARY	ONE HARTFORD PLAZA, HARTFORD, CT, 06155	ONE HARTFORD PLAZA, HARTFORD, CT, 06155
DOUGLAS G. ELLIOT PRESIDENT	ONE HARTFORD PLAZA, HARTFORD, CT	ONE HARTFORD PLAZA, HARTFORD, CT
KATHLEEN E. JORENS TREASURER	ONE HARTFORD PLAZA, HARTFORD, CT, 06155, USA	ONE HARTFORD PLAZA, HARTFORD, CT, 06155, USA

<b>Agent Summary</b>	
Agent Name	C T CORPORATION SYSTEM
Agent Business Address	67 BURNSIDE AVE, EAST HARTFORD, CT, 06108-3408
Agent Residence Address	NONE
Agent Mailing Address	NONE

Commonwealth of Massachusetts

SUFFOLK, SS.

TRIAL COURT OF THE COMMONWEALTH  
SUPERIOR COURT DEPARTMENT  
CIVIL DOCKET NO. 2084CV01744B

Dartcom, LLC d/b/a  
Buttermilk & Bourbon, PLAINTIFF(S),

v.  
The Hartford Financial Services Group, Inc. and  
Twin City Fire Insurance Company, DEFENDANT(S)  
Company

SUMMONS

THIS SUMMONS IS DIRECTED TO The Hartford Financial Services Group, Inc. (Defendant's name)  
Inc.

You are being sued. The Plaintiff(s) named above has started a lawsuit against you. A copy of the Plaintiff's Complaint\* filed against you is attached to this summons and the original complaint has been filed in the Suffolk Superior Court. **YOU MUST ACT PROMPTLY TO PROTECT YOUR RIGHTS.**

1. **You must respond to this lawsuit in writing within 20 days.** If you do not respond, the court may decide the case against you and award the Plaintiff everything asked for in the complaint. You will also lose the opportunity to tell your side of the story. You must respond to this lawsuit in writing even if you expect to resolve this matter with the Plaintiff. **If you need more time to respond, you may request an extension of time in writing from the Court.**
2. **How to Respond.** To respond to this lawsuit, you must file a written response with the court and mail a copy to the Plaintiff's Attorney (or the Plaintiff, if unrepresented). You can do this by:
  - a. Filing your signed original response with the Clerk's Office for Civil Business, Superior Court, 3 Pemberton Sq., 12th Fl. Boston, MA 02108 (address), by mail or in person, AND
  - b. Delivering or mailing a copy of your response to the Plaintiff's Attorney/Plaintiff at the following address: Sugarman & Sugarman, P.C., 800 Boylston St., 30th Fl., Boston, MA 02199
3. **What to include in your response.** An "Answer" is one type of response to a Complaint. Your Answer must state whether you agree or disagree with the fact(s) alleged in each paragraph of the Complaint. Some defenses, called affirmative defenses, must be stated in your Answer or you may lose your right to use them in court. If you have any claims against the Plaintiff (referred to as **counterclaims**) that are based on the same facts or transaction described in the Complaint, then you must include those claims in your Answer. Otherwise, you may lose your right to sue the Plaintiff about anything related to this lawsuit. If you want to have your case heard by a jury, you must **specifically** request a jury trial in your Answer or in a written demand for a jury trial that you must send to the other side and file with the court no more than 10 days after sending your Answer. You can also respond to a Complaint by filing a "Motion to Dismiss," if you believe that the complaint is legally invalid or legally insufficient. A Motion to Dismiss must be based on one of the legal deficiencies or reasons listed under Mass. R. Civ. P. 12. If you are filing a Motion to Dismiss, you must also comply with the filing procedures for "Civil Motions" described in the rules of the Court in which the complaint was filed, available at www.mass.gov.courts/case-legal-res/rules of court.

\* Civil Action Cover Sheet

Tracking Order

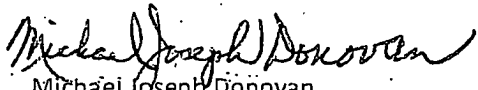
Two Requests for Production of Documents

A True Copy  
Attest:  
Process Server  
Christine Foran



4. **Legal Assistance.** You may wish to get legal help from a lawyer. If you cannot get legal help, some basic information for people who represent themselves is available at [www.mass.gov/courts/selfhelp](http://www.mass.gov/courts/selfhelp).
5. **Required information on all filings:** The "civil docket number" appearing at the top of this notice is the case number assigned to this case and must appear on the front of your Answer or Motion to Dismiss. You should refer to yourself as the "Defendant."

Witness Hon. Judith Fabricant, Chief Justice on September 24, 2020

  
Michael Joseph Donovan  
Clerk-Magistrate

Note: The number assigned to the Complaint by the Clerk-Magistrate at the beginning of the lawsuit should be indicated on the summons before it is served on the Defendant.

### PROOF OF SERVICE OF PROCESS

I hereby certify that on \_\_\_\_\_, 20\_\_\_\_, I served a copy of this summons, together with a copy of the complaint in this action, on the defendant named in this summons, in the following manner (See Mass. R. Civ. P. 4 (d)(1-5)):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_\_\_

Signature: \_\_\_\_\_

N.B. TO PROCESS SERVER:

PLEASE ENTER THE DATE THAT YOU MADE SERVICE ON THE DEFENDANT IN THIS BOX – BOTH ON THE ORIGINAL SUMMONS AND ON THE COPY OF THE SUMMONS SERVED ON THE DEFENDANT.

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COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS.

SUPERIOR COURT  
DEPARTMENT OF  
THE TRIAL COURT

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DARTCOM, LLC D/B/A BUTTERMILK  
& BOURBON,

Plaintiff,

v.

THE HARTFORD FINANCIAL  
SERVICES GROUP, INC. AND TWIN  
CITY FIRE INSURANCE COMPANY,

Defendants.

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**COMPLAINT**

**The Parties**

1. The plaintiff, DARTCOM, LLC d/b/a Buttermilk & Bourbon ("Buttermilk & Bourbon"), is a domestic corporation with a principal place of business at 100 Warrenton Street, Boston, Suffolk County, Massachusetts.

2. The defendant, The Hartford Financial Services Group, Inc., is a foreign corporation duly organized and existing under the laws of Delaware with a principal place of business at One Hartford Plaza, Hartford, Connecticut. At all material times, the defendant, The Hartford Financial Services Group, Inc., was the parent corporation of the defendant, Twin City Fire Insurance Company.

3. The defendant, Twin City Fire Insurance Company, is a foreign corporation duly organized and existing under the laws of Indiana with a principal place of business at One Hartford Plaza, Hartford, Connecticut. At all material times, the

defendant, Twin City Fire Insurance Company, was a subsidiary and related company to the defendant, The Hartford Financial Services Group, Inc.

### **The Facts**

4. The plaintiff is an entity that owns and runs the renowned Boston restaurant Buttermilk & Bourbon led by nationally recognized chef, Jason Santos, and located at 160 Commonwealth Avenue, Boston, Massachusetts.

5. When operational, Buttermilk & Bourbon employs approximately 50 people. Its employees count on this restaurant, as do the Back Bay and other neighborhoods in and around Boston.

6. At all relevant times, the defendants, The Hartford Financial Services Group, Inc. ("The Hartford") and Twin City Fire Insurance Company ("Twin City") have sold and issued commercial property insurance policies to Buttermilk & Bourbon, and the plaintiff was at all relevant times insured by The Hartford and Twin City.

7. Buttermilk & Bourbon is and was insured under The Hartford and Twin City Policy 08 SBA IX2219, which had effective dates of 4/1/19 – 4/1/20. ("Buttermilk & Bourbon Policy 1", attached as Exhibit A). During the relevant time period, this Policy was renewed and reissued by The Hartford and Twin City with effective dates of 4/1/20 – 4/1/21. ("Buttermilk & Bourbon Policy 2", attached as Exhibit B) (collectively "Buttermilk & Bourbon Policies").

8. The Buttermilk & Bourbon Policies are "all risk" policies, and were marketed and sold as such.

9. The defendants, The Hartford and Twin City, wrote the Buttermilk & Bourbon Policies and made all decisions regarding the language to include in and

exclude from those policies.

10. In an "all risk" policy, including the Buttermilk & Bourbon Policies, all losses are covered unless specifically excluded or limited. Insureds such as Buttermilk & Bourbon pay for such policies with the reasonable and known expectation that such policies afford greater coverage to them and expressly define and describe the exclusions that would limit or exclude coverage.

COVID-19

11. In the spring of 2020, a virus known as COVID-19 began spreading around the world, and eventually spread to Massachusetts and the Boston area.

12. The virus, which cannot be seen, smelled, or perceived, came to be present in Massachusetts, including in Boston where the plaintiff operates. Presumptive positive cases and confirmed cases rose exponentially. In April, it was reported that nearly a third of randomly tested people in some sections of Boston had tested positive for antibodies to the virus, demonstrating that the virus was not only present but had infected a significant portion of the population.

13. The virus travels, lives, and spreads from person-to-person contact, and also is known to travel, live, and spread via surfaces that have been in contact with infected people. Put simply, the more people that come to a given place, particularly in groups, the more the virus will travel, live, and spread at that place, creating a dangerous condition at that place.

14. It was and is a known fact that, since the virus spread to the areas where the plaintiff operates its business, a certain percentage of people in Boston are carrying the virus at all times, knowingly or not, and that wherever people congregate, the virus

is present and being released and spread by that percentage of people.

15. In an effort to combat the virus and slow the spread of COVID-19, state and local governments, including in Boston, Massachusetts, imposed directives requiring residents to remain in their homes. These colloquially became known as Stay at Home Orders, and were followed by other severe restrictions on the access and use of plaintiff's property.

16. The stated reason for the Stay at Home Orders was to "limit the spread of this highly contagious and potentially deadly virus."

17. One of the basic premises of the Stay at Home orders is that if people, including employees, are allowed to access and use business property, the presence, release and spread of virus within that property is not just imminent or possible, it is inevitable, and a property where the virus is being released is not safe or habitable due to the presence of the virus. The only way to prevent or even limit the release and spread of the virus and to prevent severe contamination and illness at a given property is to prohibit access and use of the property by all but a small number of people, with strict precautions in place. With respect to restaurants and bars, a further premise of the Stay at Home orders is that food can be contaminated by the virus and cause further spread.

18. The Stay at Home Orders were in response to a known, unsafe, and deadly element—a virus—that authorities believed would inevitably spread at the properties and hurt people if the properties remained opened and fully operational.

19. Thus, the Stay at Home Orders required businesses deemed "non-essential" to be closed, and eliminated or greatly reduced the ability of businesses to

access and use their business properties.

20. Under the Stay at Home Orders, access and use of the dining rooms at restaurants—an essential part of the plaintiff's property—was expressly prohibited: "Restaurants, bars and other establishments that offer food or beverages to the public shall not permit on-premises consumption of food or beverages."

21. Under the Stay at Home Orders and subsequent restrictions, to the extent access to business properties is even permitted, it is restricted in that the businesses can only be accessed, used, and operated for certain operations, by certain numbers of employees and customers, with certain distances between and among them, and only if protective equipment, additional cleaning measures, and other precautions are taken. Access by the general public to large areas of the property is prohibited.

22. Under any interpretation of the Stay at Home Orders and the restrictions placed on them as a result of COVID-19, businesses, including Buttermilk & Bourbon, could not access or use all or a portion of their properties, rendering those properties, or portions thereof, useless or of greatly reduced value and utility.

23. As a result of the Stay at Home Orders and other restrictions placed on it in Massachusetts and the Boston area as a result of COVID-19, for several months Buttermilk & Bourbon was not permitted to access or use its property as a full restaurant (the sole purpose for which it had obtained commercial property insurance from the defendants, which the defendants knew or should have known at all material times), but could only access and use its property to provide take-out and delivery services.

24. In early June, the orders and restrictions were changed so that Buttermilk & Bourbon could access and use its property to provide limited in-person restaurant

services at limited capacity.

25. Loss of access to and use of the Buttermilk & Bourbon property is, in itself, injury to tangible property, and diminished the value of that property significantly.

26. Loss of access to and use of the Buttermilk & Bourbon property is, in itself, physical damage to property.

27. Buttermilk & Bourbon has attempted to access and use its property for the services permitted, namely take-out and delivery and reduced service, but has suffered major financial losses in the form of loss of business income as a result of its limited permitted access and use of its property, and incurred and continues to incur costs and expenses during the Stay at Home Orders and the subsequent restrictions placed on its access to and use of its property.

28. As a matter of both fact and law, Buttermilk & Bourbon has suffered direct physical loss of or physical damage to property at its scheduled premises caused by or resulting from COVID-19 and the circumstances set forth herein, which constitutes a Covered Cause of Loss.

29. In similar fashion, other restaurants and businesses inhabiting property within the area of Buttermilk & Bourbon's insured location have also suffered direct physical loss of or physical damage to property as a result of COVID-19, including their inability to access and use their properties. Many businesses within the immediate area were contaminated by the virus, with access to and use of those businesses prohibited—the most notable of which was the catastrophic outbreak and contamination at the Boston Marriot Long Wharf Hotel.

30. During all relevant times, the plaintiff was prevented from accessing and

using its property because of the imminent threat of release of virus at the property if it was accessed and used in a normal, unrestricted fashion. Such a release would render the property unsafe, uninhabitable, and with limited utility.

31. The imminent threat and dangerous condition that exists at a property like that of the plaintiff when large groups gather in confined spaces, in a population known to include those with coronavirus, is depicted in a widely disseminated pictorial from a published medical journal. (Exhibit C).

*The Defendants' Denials of Insurance Coverage to Buttermilk & Bourbon*

32. Shortly after it knew that access and use of its property was being restricted resulting in a loss of business income on or about March 16, 2020, Buttermilk & Bourbon, through its insurance agent, informed and made a claim to The Hartford and Twin City for its losses and expected losses of business income under its policies with The Hartford and Twin City.

33. The Hartford and Twin City denied the claim in a form letter dated April 23, 2020. (Exhibit D).

34. The Hartford and Twin City had made the decision, before even receiving the claim of Buttermilk & Bourbon, that they were going to deny the claims, and all claims related to COVID-19.

35. As The Hartford and Twin City's denial letter acknowledges, and as the policies state, the Buttermilk & Bourbon Policies cover the plaintiff for loss of Business Income from a suspension of operations caused by physical loss of or physical damage to property at the described premises.

36. As The Hartford and Twin City's denial letter acknowledges, and as the



policies state, the Buttermilk & Bourbon Policies cover the plaintiff for loss of Business Income when access to the described premises is prohibited due to an order of civil authority because of damage to property outside of the described premises.

37. As the policies state, the Buttermilk & Bourbon Policies cover the plaintiff for loss of Business Income when access to the described premises is prohibited and operations are suspended due to an order of civil authority because of food contamination or suspicion of food contamination, including through a communicable disease, on the described premises.

38. Despite the occurrence of loss of Business Income from all three of the above covered conditions, The Hartford and Twin City denied the claim.

39. The Hartford and Twin City's denial of coverage to the plaintiff was unfounded and constituted a breach of their insurance contracts with the plaintiff.

40. The Hartford and Twin City's denial misrepresented the facts and coverages at issue, was based on an inadequate and unreasonable investigation or no investigation at all, unreasonably interpreted the Buttermilk & Bourbon Policies, refused to settle or pay the claims when it was clear that the policies provided coverage, and failed to provide a reasonable explanation in fact and law for the denial of coverage.

41. The Hartford and Twin City's denial of the plaintiff's claim cited to exclusions in the Buttermilk & Bourbon Policies which have no relevance to and no bearing on the plaintiff's claim, namely one involving seepage of pollutants and contaminants, which, even if it was applicable, specifically does not include those relating to a virus or pandemic, and the exclusion for "Consequential Losses." At the time The Hartford and Twin City cited to these exclusions in the Buttermilk & Bourbon

Policies as a basis of denying the plaintiff's claim, they knew that such exclusions did not apply to the plaintiff's claims. This was a further and knowing misrepresentation by The Hartford and Twin City of the plaintiff's coverage under the Buttermilk & Bourbon Policies with the intention of using these misrepresentations to discourage the plaintiff from pursuing its legal rights against The Hartford and Twin City for enforcement of the coverage the Buttermilk & Bourbon Policies provided to the plaintiff.

42. Tellingly, The Hartford and Twin City's reference to the irrelevant exclusions as described in the preceding paragraph explicitly acknowledges that the undefined term "direct physical loss of or physical damage to" as used and stated in the Buttermilk & Bourbon Policies includes a loss which "*causes or threatens to cause* physical loss, physical damage, impurity to property . . ." (emphasis added).

43. The Hartford and Twin City's denial of coverage to the plaintiff was also knowingly unfair and deceptive and a violation of Massachusetts General Laws Chapters 93A and 176D, including, but in no way limited to, Chapter 176D Sections 3(1), 3(9)(a), 3(9)(c), 3(9)(d), 3(9)(e), 3(9)(f), 3(9)(g), 3(9)(m), and 3(9)(n).

44. "Direct physical loss of or physical damage to property" is defined nowhere in the Buttermilk & Bourbon Policies.

45. The Hartford and Twin City knew at all times that, in presenting their claims for coverage to The Hartford and Twin City, Buttermilk & Bourbon was alleging that its loss of access to and use of its property caused it a loss of Business Income.

46. The Hartford and Twin City knew at all times that the access to and use of their insured's property were being prohibited because of an imminent danger posed by the presence of COVID-19 that, according to the express language of the Stay at

Home Orders, was rising "exponentially," and that the purpose of the Stay at Home Orders was to prevent the imminent danger of release of COVID-19 at the property and to prevent the contamination of food at restaurants. The Hartford and Twin City knew that that the rationale of the Stay at Home Orders was that if the insured was allowed to access and use its premises in a normal fashion, COVID-19 would appear and spread at that property, threatening health and lives of employees and customers and rendering the property dangerous and uninhabitable. The Hartford and Twin City knew at all times that the Stay at Home Orders were in place to "limit the spread" of the virus which would occur at the plaintiff's property if access and use of it were not prohibited or limited.

47. The Hartford and Twin City knew at all times that an allegation of loss of access to a restaurant's property is, in itself, an allegation of injury to tangible property.

48. The Hartford and Twin City knew at all times that the inability to physically access and use a property for the purposes for which it was intended, particularly due to a dangerous condition or threat of one, constituted direct physical loss of or physical damage to property.

49. The Hartford and Twin City knew at all times that a reasonable interpretation of direct physical loss of or physical damage to property included the inability to access and use that property, particularly due to a dangerous condition or threat of one, or the occurrence of an event that greatly diminished the value and utility of that property.

50. The failure of The Hartford and Twin City to adopt and use the aforesaid reasonable interpretations of their own policies in issuing its denials to the plaintiff was a

breach of contract.

51. The failure of The Hartford and Twin City to adopt and use the aforesaid reasonable interpretations of their own policies, and to instead deny the claims in a cursory manner, was also knowingly unfair and deceptive, and was intended by The Hartford and Twin City, in whole or in part, to discourage the plaintiff and others from making claims related to COVID-19.

*Virus and Pandemic Exclusions, and Lack Thereof in the Buttermilk & Bourbon Policies*

52. When they issued their policies to the plaintiff, The Hartford and Twin City were aware of so-called "virus exclusions" in insurance policies.

53. Virus exclusions were introduced by the Insurance Services Office ("ISO") in 2006. (Exhibit E).

54. The virus exclusion form introduced by ISO in 2006, and sometimes used by The Hartford and Twin City, was expressly intended to address allegations of contamination by virus. The express purpose and intent of the exclusion was to exclude claims for physical loss or damage to property caused by contamination by a virus at the property.

55. The virus exclusion was never intended to apply to claims for loss of access and use of property due to a pandemic or virus off of the property.

56. For those kinds of claims, so-called "pandemic exclusions" were available.

57. The Hartford and Twin City made the business decision not to include a virus exclusion in the Buttermilk & Bourbon Policies.

58. The Hartford and Twin City made the business decision not to include a pandemic exclusion in the Buttermilk & Bourbon Policies.

59. Even when they renewed the plaintiff's policy on or about April 1, 2020, which was many weeks if not months into the COVID-19 pandemic, The Hartford and Twin City made the business decision not to include a virus or pandemic exclusion in Buttermilk & Bourbon Policy 2.

60. Not only did The Hartford and Twin City make the business decision not to include a virus exclusion in the Buttermilk & Bourbon Policies, but they explicitly stated in those policies that the word "virus" was removed, including from a portion of the policies limiting, under certain circumstances, the amounts of coverage for Business Income and Extra Expense. The removal of the word "virus" entirely from the exclusionary language of the Policies makes clear that the defendants intended coverage to apply under the circumstances presented herein.

**COUNT I: BREACH OF BUTTERMILK & BOURBON CONTRACTS**

61. Buttermilk & Bourbon repeats and re-alleges the allegations in the preceding paragraphs.

62. The Buttermilk & Bourbon Policies are a valid and enforceable contract between Buttermilk & Bourbon on the one hand, and The Hartford and Twin City on the other.

63. In the Buttermilk & Bourbon Policies, The Hartford and Twin City promised to pay for loss of business income incurred as a result of causes of loss not excluded.

64. COVID-19 has caused and continues to cause direct physical loss of or physical damage to the Buttermilk & Bourbon property.

65. Because of direct physical loss of or physical damage to property, Buttermilk & Bourbon has experienced a slowdown or cessation of its business (i.e., a "suspension,"

as defined by the Policies), and resulting loss of business income and extra expense.

66. The aforesaid events triggered the Buttermilk & Bourbon Policies' Business Income and Extra Expense coverages.

67. In the Buttermilk & Bourbon Policies, The Hartford and Twin City also promised to pay for losses of Business Income and Extra Expense incurred as a result of certain actions taken by civil authorities that prohibit access to Buttermilk & Bourbon's premises.

68. Just like at Buttermilk & Bourbon, COVID-19 resulted in direct physical loss of or physical damage to properties in the immediate area of Buttermilk & Bourbon property which caused civil authorities to prohibit access to those premises because of an ongoing dangerous condition.

69. Buttermilk & Bourbon has experienced and continues to experience a loss under the Buttermilk & Bourbon Policies' civil authority coverage, including the Food Contamination Coverage, arising from the direct physical loss of or physical damage to property caused by COVID-19 and the resulting state and local orders.

70. These events, losses, and expenses triggered civil authority coverage under the Buttermilk & Bourbon Policies.

71. Buttermilk & Bourbon complied with all applicable policy provisions, including paying premiums and providing timely notice of its claim.

72. The Hartford and Twin City refused to pay for these losses and expenses in breach of the Buttermilk & Bourbon Policies.

73. Buttermilk & Bourbon has suffered and continues to suffer damages as a result of The Hartford and Twin City's breaches of the Buttermilk & Bourbon Policies.

74. Buttermilk & Bourbon is entitled to damages as a result of The Hartford and Twin City's breaches in an amount to be determined at trial, including pre- and post-judgment interest and any other costs and relief that this Court deems proper.

**COUNT II: DECLARATORY JUDGMENT FOR BUTTERMILK AND BOURBON**

75. Buttermilk & Bourbon repeats and re-alleges the allegations in the preceding paragraphs

76. Buttermilk & Bourbon seeks the Court's declaration of the parties' rights and duties under the Buttermilk & Bourbon Policies pursuant to Massachusetts General Laws Chapter 231A.

77. A justiciable controversy exists between Buttermilk & Bourbon on the one hand and The Hartford and Twin City on the other, about the coverage provided to Buttermilk & Bourbon under the Buttermilk & Bourbon Policies.

78. Buttermilk & Bourbon seeks a declaration from the Court that:

- a. The Buttermilk & Bourbon Policies cover Buttermilk & Bourbon's claims as set forth herein; and
- b. No exclusion in the Buttermilk & Bourbon Policies applies to bar or limit coverage.

**COUNT III: VIOLATION OF CHAPTERS 93A AND 176D AS TO  
THE BUTTERMILK & BOURBON POLICIES**

79. Buttermilk & Bourbon repeats and re-alleges the allegations in the preceding paragraphs.

80. The Hartford and Twin City's denial of coverage to Buttermilk & Bourbon, accomplished by a form letter containing various misrepresentations of coverage, unfounded and inaccurate statements, references to inapplicable and irrelevant exclusions, and unreasonable interpretations of the language of the subject policies,

was preplanned and was a knowingly unfair and deceptive act, done while their insured and others like it were in financial *extremis*.

81. As a result of The Hartford and Twin City's unfair and deceptive acts or practices, Buttermilk & Bourbon has suffered damages, including loss of use of the money it is owed by The Hartford and Twin City; loss of personnel, operations, and income; and attorneys' fees, costs, and expenses incurred in pursuing the wrongfully denied coverage.

#### **REQUESTS FOR RELIEF**

82. Buttermilk & Bourbon respectfully requests that the Court enter judgment in their favor against The Hartford and Twin City as follows:

- a. As to Count I, that The Hartford and Twin City breached the Buttermilk & Bourbon Policies by failing to pay Buttermilk & Bourbon's Business Income and Extra Expense claims, and is liable for damages.
- b. As to Count II, a declaratory judgment that the Buttermilk & Bourbon Policies cover Buttermilk & Bourbon's claims, and that no policy exclusion applies to bar or limit coverage.
- c. As to Count III, for damages, costs, and attorneys' fees for The Hartford and Twin City's violations of Chapter 93A in denying Buttermilk & Bourbon's claims, and for double or treble damages for willful and knowing violations.

#### **JURY CLAIM**

82. The plaintiff claims a trial by jury.



PLAINTIFFS,

By their Attorneys,

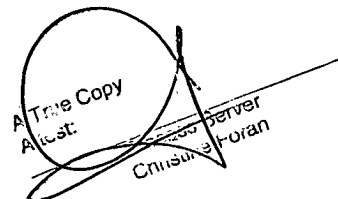
SUGARMAN AND SUGARMAN, P.C.

Date: August 5, 2020



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Benjamin R. Zimmermann, Esq.- BBO #643920  
bzimmermann@sugarman.com  
David P. McCormack, Esq.- BBO #659006  
dmccormack@sugarman.com  
The Prudential Tower  
800 Boylston Street, 30th Floor  
Boston, MA 02199  
(617) 542-1000



A True Copy  
Attest:  
Cristina Moran

A



## IMPORTANT NOTICE TO OUR POLICYHOLDERS

THANK YOU FOR RENEWING YOUR POLICY WITH THE HARTFORD. WITH THIS NOTICE WE ARE PROVIDING YOU ONLY WITH THE DECLARATIONS PAGE, WHICH OUTLINES YOUR COVERAGES, AND WITH THOSE POLICY FORMS, NOTICES, AND BROCHURES WHICH ARE DIFFERENT FROM THOSE WHICH WE PROVIDED WITH YOUR PREVIOUS POLICY. **YOU SHOULD RETAIN ALL OF THESE DOCUMENTS AND THOSE PROVIDED WITH YOUR PREVIOUS POLICY INDEFINITELY** SO THAT YOU WILL HAVE A COMPLETE SET OF POLICY FORMS AT ALL TIMES FOR YOUR REFERENCE.

IF YOU HAVE QUESTIONS, OR IF AT ANY TIME YOU NEED COPIES OF ANY OF THE FORMS LISTED ON YOUR POLICY, PLEASE CALL YOUR HARTFORD AGENT OR BROKER, OR THE OFFICE OF THE HARTFORD IDENTIFIED ON YOUR POLICY, AS APPROPRIATE.

DARTCOM LLC

160 COMMONWEALTH AVE  
BOSTON MA 02116

Policy Number: 08 SBA IX2219  
Renewal Date: 04/01/19



Thank you for being a loyal customer of The Hartford.

#### **# 1: Your Hartford Policy**

Enclosed are renewal documents for your policy, which is scheduled to renew on 04/01/19. Along with a new Declarations Page, which details the coverages provided by your policy, we are enclosing important policy documents. Please be aware that you will receive an invoice separately for this new policy term approximately 30 days prior to the renewal date; no action is required now.

To ensure the premium you paid for this past policy term was accurate, we may contact you by letter, phone or email to conduct a premium audit. If contacted, we will advise what information is needed to complete the audit.

#### **# 2: Your Business Insurance Coverage Checkup**

Now is a great time to complete a business insurance coverage checkup with a Hartford Insurance Professional. Because you wear so many hats each day, you may not be thinking about how changes to your business can impact the type and amount of insurance coverage needed to protect it.

Together we will evaluate how your needs may have changed over the past year. Examples include:

- Has your mailing address and/or the physical location of your business changed?
- Has there been any increase/decrease in the amount of business property/equipment you own?
- Has there been any increase/decrease in your company's payroll or sales?
- Have you added or eliminated any vehicles used in your business operations?
- Are the bill plan and deductible on your policy right for your business?

During the review we may make coverage recommendations, provide peace of mind solutions, and possibly reduce your costs. Here is all you need to do:

- Call toll free (866) 467-8730, and select our renewal review service option any weekday from 7 A.M. to 7 P.M. CST and request your business insurance check-up.
- To best serve you, please have your Policy Number or Account Number and a Copy of your current Renewal Policy in hand when you call.

#### **# 3: Servicing Your Needs**

To login or register for our Online Business Service Center, go to [www.thehartford.com/servicecenter](http://www.thehartford.com/servicecenter) where any time, day or night you can:

- Pay your bill, view payment history and enroll in Auto Pay
- Request Auto ID Cards and Certificates of Insurance
- View electronic copies of billing and policy documents and sign up for paperless delivery

#### **# 4: If You've Had A Loss or Accident... Report It Immediately**

We want to help! Contact us as quickly as possible at 1-800-327-3636.

- Representatives are available 24-7 to assist in helping you recover from your loss.

On behalf of CASSIDY ASSOC INS AGENCY INC/PHS and The Hartford, we appreciate the opportunity to have been of service to you this past year and look forward to serving your business insurance needs for the upcoming year.

Sincerely,  
Your Hartford Team

## Insurance Policy Billing Information

Thank you for selecting The Hartford for your business insurance needs.

Shortly, you will receive your first bill from us. You are receiving this Notice so you know what to expect as a valued customer of The Hartford. Should you have any questions after reviewing this information, please contact us at 866-467-8730, and we will be happy to assist you.

- o Your total policy premium will appear on your policy's Declarations Page. You will be billed based on the payment plan you selected.
- o You may pay the "minimum due" as it appears on your insurance bill or pay the policy balance in full.
- o An installment service fee is added to each installment. A late fee will also be applied if the "minimum due" is not **received** by the due date shown on your bill. Service and late payment fees do not apply in all states.
- o If you selected installment billing, any credit or additional premium due as the result of a change made to your policy, will be spread over the remaining billing installments. Additional premium due as a result of an **audit** will be billed in full on your next bill date following the completion of the audit.
- o If you elected Electronic Funds Transfer (EFT), policy changes may result in changes to the amount automatically withdrawn from your bank account. The invoice you receive following a policy change will include future withdrawal amounts. If you need to adjust or stop your next scheduled EFT withdrawal, please contact us **at least 3 days prior** to the scheduled withdrawal date at the telephone number shown below.
- o If you selected installment billing and pay the premiums for your first policy term on time, at renewal, your account may qualify for our "Equal Installment" feature. This means that the percentage due for each installment, including the initial renewal installment, will be the same throughout the policy term – helping you better manage cash flow. Equal installments will continue as long as you pay your premiums on time and no cancellation notices are issued for any policy on your account. If you no longer qualify for Equal Installments, future renewals will be billed based on the payment plan you selected, which includes a higher initial installment amount.
- o If your policy is eligible for renewal, your bill for the upcoming policy term will be sent to you approximately 30 days prior to your policy's renewal date. If your insurance needs change, please contact us at least 60 days prior to your renewal date so we can properly address any adjustments needed.
- o **One bill convenience** -- you have the option of combining all eligible Hartford policies on one single bill allowing you to make one payment for all policies on your account as payments are due.

### You're In Control

In addition to selecting a bill plan option that best meets your budget, you have the flexibility to decide **how** your payments are made ...

- o **Repetitive EFT:** Sign up for Repetitive EFT payments and have payments automatically withdrawn from your bank account. This option saves you money by reducing the amount of the installment service fee.
- o **Pay Online:** Register at [www.thehartford.com/servicecenter](http://www.thehartford.com/servicecenter). Online Bill Pay is Quick, Easy and Secure!
- o **Pay by Check:** Send a check with your remittance stub in the envelope provided with your bill.
- o **Pay by Phone:** Call toll-free **1-866-467-8730**.

Should you have any questions about your bill, please call Customer Service toll-free number:  
**1-866-467-8730 - 7AM – 7PM CST. We look forward to being of service to you.**



## **IMPORTANT NOTICE TO POLICYHOLDERS**

### **THE HARTFORD CYBER CENTER WEBSITE ACCESS**

Thank you for choosing The Hartford for your business insurance needs.

You are receiving this Notice because you purchased a business owner's policy from The Hartford, (your Policy was issued by The Hartford writing company identified on your policy Declarations page) which includes access to The Hartford Cyber Center. This portal was created because we recognize that businesses face a variety of cyber-related exposures and need help managing the related risks. These exposures include data breaches, computer virus attacks and cyber extortion threats.

Through The Hartford Cyber Center, you have access to:

- o A panel of third party incident response service providers
- o Third party cybersecurity pre-incident service providers and a list of approved services to help protect your business before a cyber-threat occurs
- o Risk management tools, including self-assessments, best practice guides, templates, sample incident response plans, and data breach cost calculators
- o White papers, blogs and webinars from leading privacy and security practitioners
- o Up-to-date cyber-related news and events, including examples of privacy and security related events

Accessing The Hartford Cyber Center is easy

1. Visit [www.thehartford.com/cybercenter](http://www.thehartford.com/cybercenter)
2. Enter policyholder information
3. Access code: 952689
4. Login to The Hartford Cyber Center

This Notice does not amend or otherwise affect the provisions of your business owner's policy.

#### **Coverage Options:**

The Hartford offers a variety of endorsements to your business owner's policy that can help protect your business from a broad range of cyber-related threats. Please review your coverage with your insurance agent or broker to determine the most appropriate cyber coverages and limits for your business.

#### **Claims Reporting:**

If you have a claim, you can report it by calling The Hartford's toll-free claims line at **1-800-327-3636**.

Should you have any questions, please contact your insurance agent, broker or you may contact us directly.

We appreciate your business and look forward to being of continued service to you.

Please be aware that:

- o The Hartford Cyber Center is a proprietary web portal exclusively provided to customers of The Hartford. Please do not share the access code with anyone outside your organization.
- o Registration is required to access the Cyber Center. You may register as many users as necessary.
- o Contacting a service provider about any issue does not constitute providing The Hartford notice of a claim as required under your insurance policy. Read your insurance policy and discuss any questions with your agent or broker.

The Hartford Cyber Center provides third party service provider references and materials for educational purposes only. The Hartford does not specifically endorse any such service provider within The Hartford Cyber Center and hereby disclaims all liability with respect to use of or reliance on such service providers. All service providers are independent contractors and not agents of The Hartford. The Hartford does not warrant the performance of the service providers, even if such services are covered under your Business Owners Policy. We strongly encourage you to conduct your own assessments of the service providers' services and the fitness or adequacy of such services for your particular needs.

# Spectrum®

## Business Owner's Policy





## **IMPORTANT NOTICE TO POLICYHOLDERS**

### **NOTIFICATION OF AVAILABILITY OF COVERAGE FOR FUNGUS/MOLD DAMAGE AS A RESULT OF OTHERWISE COVERED PERILS**

The Massachusetts Division of Insurance requires that all residents and businesses of Massachusetts be provided the opportunity to purchase limited property insurance coverage for fungus/mold damages as a result of an otherwise covered peril.

The policy being offered, issued, or renewed may already provide this coverage. If this coverage is not already provided to you it is available under a separate endorsement.

Please contact your insurance company or your agent to apply for this coverage.





## **PRODUCER COMPENSATION NOTICE**

You can review and obtain information on The Hartford's producer compensation practices at [www.TheHartford.com](http://www.TheHartford.com) or at 1-800-592-5717.

POLICY NUMBER: 08 SBA IX2219



**THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT.**

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

### SCHEDULE

**Terrorism Premium:**

**\$**            \$152.00

**A. Disclosure Of Premium**

In accordance with the federal Terrorism Risk Insurance Act, as amended (TRIA), we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for "certified acts of terrorism" under TRIA. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement.

**B. The following definition is added with respect to the provisions of this endorsement:**

1. A "certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of TRIA, to be an act of terrorism under TRIA. The criteria contained in TRIA for a "certified act of terrorism" include the following:
  - a. The act results in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and
  - b. The act results in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of an United States mission; and
  - c. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the

United States or to influence the policy or affect the conduct of the United States Government by coercion

**C. Disclosure Of Federal Share Of Terrorism Losses**

The United States Department of the Treasury will reimburse insurers for a portion of insured losses, as indicated in the table below, attributable to "certified acts of terrorism" under TRIA that exceeds the applicable insurer deductible:

Calendar Year	Federal Share of Terrorism Losses
<b>2015</b>	<b>85%</b>
<b>2016</b>	<b>84%</b>
<b>2017</b>	<b>83%</b>
<b>2018</b>	<b>82%</b>
<b>2019</b>	<b>81%</b>
<b>2020 or later</b>	<b>80%</b>

However, if aggregate industry insured losses under TRIA exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. The United States government has not charged any premium for their participation in covering terrorism losses.

**D. Cap On Insurer Liability for Terrorism Losses**

If aggregate industry insured losses attributable to "certified acts of terrorism" under TRIA exceed \$100 billion in a calendar year and we have met, or will meet, our insurer deductible under TRIA, we shall not be liable for the payment of any portion of the amount of such losses that exceed \$100 billion. In such case, your coverage for terrorism losses may be reduced on a pro-rata basis in accordance with procedures established by the Treasury, based on its estimates of aggregate industry losses and our estimate that we will exceed our insurer deductible. In accordance with the Treasury's procedures, amounts paid for losses may be subject to further adjustments based on differences between actual losses and estimates.

**E. Application of Other Exclusions**

The terms and limitations of any terrorism exclusion, the inapplicability or omission of a terrorism exclusion, or the inclusion of terrorism coverage, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Form, Coverage Part or Policy.

**F. All other terms and conditions remain the same.**



## IMPORTANT NOTICE TO POLICYHOLDERS

<b>ERISA - EMPLOYEE DISHONESTY</b>
------------------------------------

You are receiving this notice because your renewal policy contains ERISA-EMPLOYEE DISHONESTY.

The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law that sets rules and standards of conduct for private sector employee benefit plans and those that invest and manage their assets. One of ERISA's requirements is that people who handle plan funds and other property must be covered by a fidelity bond to protect the plan from losses due to fraud or dishonesty.

Please be advised that on or before the beginning of each plan year, the plan administrator or other plan fiduciary must ensure that the plan has the legally required bonding amount for the individuals who will handle the plan's funds and other property. If necessary, the plan administrator or other plan fiduciary may need to obtain appropriate adjustments or additional protection to ensure that the coverage will be in compliance for the new plan year.

If you wish to adjust the amount of your ERISA fidelity bond, please reach out to your agent or Hartford representative.



## **IMPORTANT NOTICE TO POLICYHOLDERS**

To help your insurance keep pace with increasing costs, we have increased your amount of insurance . . . giving you better protection in case of either a partial, or total loss to your property.

If you feel the new amount is not the proper one, please contact your agent or broker.

19 This **Spectrum Policy** consists of the Declarations, Coverage Forms, Common Policy Conditions and any  
22 other Forms and Endorsements issued to be a part of the Policy. This insurance is provided by the stock  
IX insurance company of The Hartford Insurance Group shown below.

SBA

**INSURER:** TWIN CITY FIRE INSURANCE COMPANY  
ONE HARTFORD PLAZA, HARTFORD, CT 06155  
**COMPANY CODE:** 7

**Policy Number:** 08 SBA IX2219 DW



## SPECTRUM POLICY DECLARATIONS

**Named Insured and Mailing Address:** DARTCOM LLC  
(No., Street, Town, State, Zip Code) DBA BUTTERMILK & BOURBON  
160 COMMONWEALTH AVE  
BOSTON MA 02116

**Policy Period:** From 04/01/19 To 04/01/20 1 YEAR  
12:01 a.m., Standard time at your mailing address shown above. **Exception:** 12 noon in New Hampshire.

**Name of Agent/Broker:** CASSIDY ASSOC INS AGENCY INC/PHS  
**Code:** 088717

**Previous Policy Number:** 08 SBA IX2219

**Named Insured is:** LIMITED LIAB CORP

**Audit Period:** ANNUAL

**Type of Property Coverage:** SPECIAL

**Insurance Provided:** In return for the payment of the premium and subject to all of the terms of this policy, we agree with you to provide insurance as stated in this policy.

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**TOTAL ANNUAL PREMIUM IS:** \$9,507 DISCOUNT APPLIED: PAID IN FULL

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Countersigned by

*Susan L. Castaneda*

Authorized Representative

01/17/19  
Date

**SPECTRUM POLICY DECLARATIONS (Continued)**

**POLICY NUMBER:** 08 SBA IX2219

Location(s), Building(s), Business of Named Insured and Schedule of Coverages for Premises as designated by Number below.

**Location:** 001      **Building:** 001

160 COMMONWEALTH AVE  
BOSTON                      MA 02116

**Description of Business:**

Restaurant - Full Service (Waiter/Waitress)

**Deductible:** \$ 1,000 PER OCCURRENCE

**BUILDING AND BUSINESS PERSONAL PROPERTY    LIMITS OF INSURANCE**

**BUILDING**

NO COVERAGE

**BUSINESS PERSONAL PROPERTY**

**REPLACEMENT COST**                      \$    156,800

**PERSONAL PROPERTY OF OTHERS**

**REPLACEMENT COST**                      NO COVERAGE

**MONEY AND SECURITIES**

INSIDE THE PREMISES                      \$    10,000  
OUTSIDE THE PREMISES                      \$    10,000





**SPECTRUM POLICY DECLARATIONS (Continued)**

**POLICY NUMBER:** 08 SBA IX2219

**PROPERTY OPTIONAL COVERAGES APPLICABLE LIMITS OF INSURANCE  
TO ALL LOCATIONS**

**BUSINESS INCOME AND EXTRA EXPENSE  
COVERAGE**  
COVERAGE INCLUDES THE FOLLOWING  
COVERAGE EXTENSIONS:

12 MONTHS ACTUAL LOSS SUSTAINED

**ACTION OF CIVIL AUTHORITY:**  
**EXTENDED BUSINESS INCOME:**

30 DAYS  
30 CONSECUTIVE DAYS

**EQUIPMENT BREAKDOWN COVERAGE**  
DEDUCTIBLE: \$1,000 FORM: SS 40 65  
COVERAGE FOR DIRECT PHYSICAL LOSS  
DUE TO:  
MECHANICAL BREAKDOWN,  
ARTIFICIALLY GENERATED CURRENT  
AND STEAM EXPLOSION

**THIS ADDITIONAL COVERAGE INCLUDES  
THE FOLLOWING EXTENSIONS**

HAZARDOUS SUBSTANCES  
EXPEDITING EXPENSES

\$ 50,000  
\$ 50,000

**MECHANICAL BREAKDOWN COVERAGE ONLY  
APPLIES WHEN BUILDING OR BUSINESS  
PERSONAL PROPERTY IS SELECTED ON  
THE POLICY**

**IDENTITY RECOVERY COVERAGE**  
FORM SS 41 12

\$ 15,000

**SPECTRUM POLICY DECLARATIONS (Continued)**

POLICY NUMBER: 08 SBA IX2219

<b>BUSINESS LIABILITY</b>	<b>LIMITS OF INSURANCE</b>
<b>LIABILITY AND MEDICAL EXPENSES</b>	\$2,000,000
<b>MEDICAL EXPENSES - ANY ONE PERSON</b>	\$ 5,000
<b>PERSONAL AND ADVERTISING INJURY</b>	\$2,000,000
<b>DAMAGES TO PREMISES RENTED TO YOU ANY ONE PREMISES</b>	\$1,000,000
<b>AGGREGATE LIMITS</b>	
<b>PRODUCTS-COMPLETED OPERATIONS</b>	\$4,000,000
<b>GENERAL AGGREGATE</b>	\$4,000,000
<b>EMPLOYMENT PRACTICES LIABILITY COVERAGE: FORM SS 09 01</b>	
<b>EACH CLAIM LIMIT</b>	\$ 10,000
<b>DEDUCTIBLE - EACH CLAIM LIMIT</b>	
NOT APPLICABLE	
<b>AGGREGATE LIMIT</b>	\$ 10,000
<b>RETROACTIVE DATE: 04012017</b>	

This **Employment Practices Liability Coverage** contains claims made coverage. Except as may be otherwise provided herein, specified coverages of this insurance are limited generally to liability for injuries for which claims are first made against the insured while the insurance is in force. Please read and review the insurance carefully and discuss the coverage with your Hartford Agent or Broker.

The Limits of Insurance stated in this Declarations will be reduced, and may be completely exhausted, by the payment of "defense expense" and, in such event, The Company will not be obligated to pay any further "defense expense" or sums which the insured is or may become legally obligated to pay as "damages".

## BUSINESS LIABILITY OPTIONAL COVERAGES

<b>HIRED/NON-OWNED AUTO LIABILITY</b>	\$2,000,000
<b>LIQUOR LIABILITY INSURANCE</b>	
FORM SS 04 03	
<b>EACH COMMON CAUSE</b>	\$1,000,000
<b>AGGREGATE</b>	\$2,000,000

**SPECTRUM POLICY DECLARATIONS (Continued)**

**POLICY NUMBER:** 08 SBA IX2219

**BUSINESS LIABILITY OPTIONAL COVERAGES**  
**(Continued)**

**LIMITS OF INSURANCE**

**CYBERFLEX COVERAGE**  
**FORM SS 40 26**

**TENANT'S LEGAL LIABILITY COVERAGE**  
**FORM SS 40 98**  
**LOCATION: 001 BUILDING: 001**  
**UNMANNED AIRCRAFT LIABILITY**  
**FORM: SS 42 06**

\$1,000,000

**SPECTRUM POLICY DECLARATIONS (Continued)****POLICY NUMBER:** 08 SBA IX2219**Form Numbers of Forms and Endorsements that apply:**

SS 00 01 03 14	SS 00 05 10 08	SS 00 07 07 05	SS 00 08 04 05
SS 00 38 04 04	SS 00 60 09 15	SS 00 61 09 15	SS 00 64 09 16
SS 84 04 10 15	SS 01 01 07 08	SS 42 06 03 17	SS 04 03 10 08
SS 04 11 09 07	SS 04 19 04 09	SS 04 22 07 05	SS 04 30 07 05
SS 04 38 09 09	SS 04 39 07 05	SS 04 41 03 18	SS 04 42 03 17
SS 04 44 07 05	SS 04 45 07 05	SS 04 46 09 14	SS 04 47 04 09
SS 04 80 03 00	SS 04 86 03 00	SS 40 18 07 05	SS 40 26 03 17
SS 40 65 07 05	SS 40 93 07 05	SS 40 98 04 05	SS 41 12 12 17
SS 41 32 09 06	SS 41 51 10 09	SS 41 63 06 11	SS 05 10 03 00
SS 05 47 09 15	SS 51 11 03 17	SS 50 18 04 05	SS 09 01 12 14
SS 09 67 09 14	SS 09 70 12 14	SS 09 71 12 14	SS 50 19 01 15
IH 99 40 04 09	IH 99 41 04 09	SS 83 76 01 15	SS 89 93 07 16

**Spectrum Supplemental Schedule of Auditable Coverages**

This schedule reflects only those locations that have classes and/or coverages that are subject to audit.

**Policy Number:** 08 SBA IX2219

Entries herein, except as specifically provided elsewhere in this policy, do not modify any of the other provisions of this policy.

LOC/BLDG NO:	001/001	TERR: 011
LOCATION:	160 COMMONWEALTH AVE	
	BOSTON	MA 02116
CLASSIFICATION CODE NUMBER	58011	
DESCRIPTION:	Restaurant - Full Service (Waiter/Waitress)	
COVERAGE DESCRIPTION:	PREMISES/OPERATIONS COVERAGE	
REFER TO:	BUSINESS LIABILITY COVERAGE PART FORM SS 00 08	
RATING BASIS:	SALES PER 1000	
EXPOSURE:	1,552,500	
FINAL RATE:	1.954	
ADVANCE PREMIUM:	\$3,033.00	
COVERAGE DESCRIPTION:	PRODUCTS/COMPLETED OPERATIONS COVERAGE	
REFER TO:	BUSINESS LIABILITY COVERAGE PART FORM SS 00 08	
RATING BASIS:	SALES PER 1000	
EXPOSURE:	1,552,500	
FINAL RATE:	0.576	
ADVANCE PREMIUM:	\$895.00	
COVERAGE DESCRIPTION:	BUSINESS INCOME & EXTRA EXPENSE - ACTUAL LOSS SUSTAINED	
REFER TO:	SPECIAL PROPERTY COVERAGE PART FORM SS 00 07	
RATING BASIS:	SALES PER 1000	
EXPOSURE:	1,552,500	
FINAL RATE:	1.086	
ADVANCE PREMIUM:	\$1,685.00	

**Form SS 00 38 04 04T**  
**Process Date:** 01/17/19

**Page** 001 (CONTINUED ON NEXT PAGE)  
**Policy Expiration Date:** 04/01/20

**Spectrum Supplemental Schedule of Auditable Coverages (Continued)**

**Policy Number:** 08 SBA IX2219

COVERAGE DESCRIPTION:	LIQUOR LIABILITY
REFER TO:	LIQUOR LIABILITY COVERAGE FORM SS 04 03
RATING BASIS:	LIQUOR SALES PER 1000
EXPOSURE:	375,000
FINAL RATE:	4.699
ADVANCE PREMIUM:	\$1,762.00
-----	
TOTAL ADVANCE PREMIUM FOR AUDITABLE COVERAGES	\$7,375.00 DOES NOT INCLUDE TERRORISM OR ANY APPLICABLE STATE SURCHARGES OR FEES OR MINIMUM PREMIUMS
-----	



## RESTAURANT STRETCH SUMMARY

### SUMMARY OF COVERAGE LIMITS

This is a summary of the Coverages and the Limits of Insurance provided by the Restaurant Stretch Coverage form SS 04 11 which is included in this policy. No coverage is provided by this summary. Refer to coverage form SS 04 11 to determine the scope of your insurance protection.

The Limit of Insurance for the following Additional Coverages are in addition to any other limit of insurance provided under this policy:

Coverage	Limit
Accounts Receivable - On/Off-Premises	\$ 25,000
Brands and Labels	Up to Business Personal Property Limit
Claims Expense	\$ 10,000
Computer Fraud	\$ 5,000
Computers and Media	\$ 25,000
Debris Removal	\$ 25,000
Employee Dishonesty (including ERISA)	\$ 10,000
Fine Arts	\$ 10,000
Forgery	\$ 10,000
Laptop Computers - Worldwide Coverage	\$ 10,000
Lost Keys	\$ 2,500
Off Premises Service - Direct Damage	\$ 10,000
Outdoor Signs	Full Value
Pairs and Sets	Up to Business Personal Property Limit
Personal Property of Others	\$ 10,000
Property at Other Premises	\$ 10,000
Salespersons' Samples	\$ 1,000
Sewer and Drain Back Up	Included up to Covered Property Limits
Sump Overflow or Sump Pump Failure	\$ 15,000
Temperature Change	\$ 10,000
Tenant Building and Business Personal Property Coverage- Required by Lease	\$ 20,000
Transit Property in the Care of Carriers for Hire	\$ 10,000
Unauthorized Business Card Use	\$ 2,500
Valuable Papers and Records - On/Off-Premises	\$ 25,000

The Limits of Insurance for the following Coverage Extensions are a replacement of the Limit of Insurance provided under the Standard Property Coverage Form or the Special Property Coverage Form, whichever applies to the policy:

Coverage	Limit
Newly Acquired or Constructed Property - 180 Days	
Building	\$1,000,000
Business Personal Property	\$ 500,000
Business Income and Extra Expense	\$ 500,000
Outdoor Property	\$ 20,000 aggregate/ \$1,000 per item
Personal Effects	\$ 25,000
Property Off-Premises	\$ 15,000

The following changes apply only if Business Income and Extra Expense are covered under this policy. The Limits of Insurance for the following Business Income and Extra Expense Coverages are in addition to any other Limit of Insurance provided under this policy:

<b>Coverage</b>	<b>Limit</b>
Business Income Extension for Off-Premises Utility Services	\$ 25,000
Business Income Extension for Web Sites	\$ 10,000/7 days
Business Income from Dependent Properties	\$ 50,000
Food Contamination	\$ 25,000

The following Limit of Insurance for the following Business Income Coverage is a replacement of the Limit of Insurance provided under the Standard Property Coverage Form or the Special Property Coverage Form, whichever applies to the policy:

<b>Coverage</b>	<b>Limit</b>
Extended Business Income	60 Days

The following changes apply only if the Special Property Coverage Form applies to this policy. The Limits of Insurance for the following Additional Coverages are in addition to any other limit of insurance provided under this policy:

<b>Coverage</b>	<b>Limit</b>
Money and Securities	\$ 10,000 inside the premises/ \$ 10,000 outside the premises

The following changes apply to Loss Payment Conditions:

<b>Coverage</b>	<b>Limit</b>
Valuation Changes	
Commodity Stock	Included
"Finished Stock"	Included
Mercantile Stock - Sold	Included



## **COMMON POLICY CONDITIONS**

## **QUICK REFERENCE - SPECTRUM POLICY**

### **DECLARATIONS and COMMON POLICY CONDITIONS**

#### **I. DECLARATIONS**

Named Insured and Mailing Address  
Policy Period  
Description and Business Location  
Coverages and Limits of Insurance

#### **II. COMMON POLICY CONDITIONS**

#### **Beginning on Page**

<b>A. Cancellation</b>	<b>1</b>
<b>B. Changes</b>	<b>1</b>
<b>C. Concealment, Misrepresentation Or Fraud</b>	<b>2</b>
<b>D. Examination Of Your Books And Records</b>	<b>2</b>
<b>E. Inspections And Surveys</b>	<b>2</b>
<b>F. Insurance Under Two Or More Coverages</b>	<b>2</b>
<b>G. Liberalization</b>	<b>2</b>
<b>H. Other Insurance - Property Coverage</b>	<b>2</b>
<b>I. Premiums</b>	<b>2</b>
<b>J. Transfer Of Rights Of Recovery Against Others To Us</b>	<b>2</b>
<b>K. Transfer Of Your Rights And Duties Under This Policy</b>	<b>3</b>
<b>L. Premium Audit</b>	<b>3</b>



## COMMON POLICY CONDITIONS

All coverages of this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy:
    - (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
      - (a) Seasonal unoccupancy; or
      - (b) Buildings in the course of construction, renovation or addition.  
Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
    - (2) After damage by a Covered Cause of Loss, permanent repairs to the building:
      - (a) Have not started; and
      - (b) Have not been contracted for, within 30 days of initial payment of loss.
    - (3) The building has:
      - (a) An outstanding order to vacate;
      - (b) An outstanding demolition order; or
      - (c) Been declared unsafe by governmental authority.
    - (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

### (5) Failure to:

- (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
- (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.
- b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
- c. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is canceled, we will send the first Named Insured any premium refund due. Such refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

**COMMON POLICY CONDITIONS****C. Concealment, Misrepresentation Or Fraud**

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This policy;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this policy.

**D. Examination Of Your Books And Records**

We may examine and audit your books and records as they relate to the policy at any time during the policy period and up to three years afterward.

**E. Inspections And Surveys**

1. We have the right but are not obligated to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. Any inspections, surveys, reports or recommendations will relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of any person. We do not represent or warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations on our behalf.

**F. Insurance Under Two Or More Coverages**

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

**G. Liberalization**

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to, or at any time during, the policy period, the broadened coverage will immediately apply to this policy.

**H. Other Insurance - Property Coverage**

If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount

due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

**I. Premiums**

1. The first Named Insured shown in the Declarations:
  - a. Is responsible for the payment of all premiums; and
  - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. If applicable, on each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
  - a. Paid to us prior to the anniversary date; and
  - b. Determined in accordance with Paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

4. Changes in exposures or changes in your business operation, acquisition or use of locations that are not shown in the Declarations may occur during the policy period. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

**J. Transfer Of Rights Of Recovery Against Others To Us**

Applicable to Property Coverage:

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property; or
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:

**COMMON POLICY CONDITIONS**

- a. Someone insured by this insurance;
- b. A business firm:
  - (1) Owned or controlled by you; or
  - (2) That owns or controls you; or
- c. Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

**K. Transfer Of Your Rights And Duties Under This Policy**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

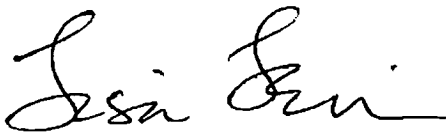
If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is

appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

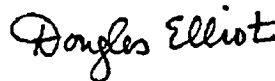
**L. Premium Audit**

- a. We will compute all premiums for this policy in accordance with our rules and rates.
- b. The premium amount shown in the Declarations is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Any additional premium found to be due as a result of the audit are due and payable on notice to the first Named Insured. If the deposit premium paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must maintain all records related to the coverage provided by this policy and necessary to finalize the premium audit, and send us copies of the same upon our request.

Our President and Secretary have signed this policy. Where required by law, the Declarations page has also been countersigned by our duly authorized representative.



Lisa Levin, Secretary



Douglas Elliot, President

## **SPECIAL PROPERTY COVERAGE FORM**

## QUICK REFERENCE

### SPECIAL PROPERTY COVERAGE FORM READ YOUR POLICY CAREFULLY

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## SPECIAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to the **SECTION G - PROPERTY DEFINITIONS**.

### A. COVERAGE

We will pay for direct physical loss of or physical damage to Covered Property at the premises described in the Declarations (also called "scheduled premises" in this policy) caused by or resulting from a Covered Cause of Loss.

#### 1. Covered Property

Covered Property as used in this policy, means the following types of property for which a Limit of Insurance is shown in the Declarations:

##### a. Buildings, meaning only building(s) and structure(s) described in the Declarations, including:

- (1) Completed additions;
- (2) Permanently installed:
  - (a) Fixtures;
  - (b) Machinery; and
  - (c) Equipment;
- (3) Outdoor fixtures;
- (4) Your personal property in apartments, rooms or common areas furnished by you as landlord;
- (5) Building Glass, meaning glass that is part of a building or structure;
- (6) Personal property owned by you that is used to maintain or service the buildings or structures on the premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering; and
- (7) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the buildings or structures;

- (b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the "scheduled premises", used for making additions, alterations or repairs to the buildings or structures.

##### b. Business Personal Property located in or on the building(s) described in the Declarations at the "scheduled premises" or in the open (or in a vehicle) within 1,000 feet of the "scheduled premises", including:

- (1) Property you own that is used in your business;
- (2) Tools and equipment owned by your employees, which are used in your business operations;
- (3) Property of others that is in your care, custody or control;
- (4) "Tenant Improvements and Betterments"; and
- (5) Leased personal property for which you have contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

#### 2. Property Not Covered

Covered Property does not include:

- a. Aircraft, automobiles, motor trucks and other vehicles subject to motor vehicle registration;
- b. Automobiles held for sale;
- c. "Money", bullion, numismatic and philatelic property and bank notes or "securities" except as provided in any Additional Coverages or Optional Coverages. Lottery tickets held for sale and postage stamps in current use and having face value are not "securities".
- d. Contraband, or property in the course of illegal transportation or trade;



**SPECIAL PROPERTY COVERAGE FORM**

- e. Land (including land on which the property is located), water, growing crops or lawns;
  - f. Outdoor fences, radio or television antennas (including satellite dishes), including their lead in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than those held for sale or sold but not delivered), except as any of these may be provided in the:
    - (1) Outdoor Property Coverage Extension; or
    - (2) Outdoor Signs Optional Coverage;
  - g. Watercraft (including motors, equipment and accessories) while afloat;
  - h. The cost to research, replace or restore the information on "valuable papers and records", except as may be provided in any Coverage Extensions or Optional Coverages.
  - i. "Data" and "software" which exists on electronic "media" including the cost to research, replace or restore them, except as may be provided for in any Additional Coverages or Optional Coverages.
  - j. Accounts, bills, food stamps, other evidences of debt, accounts receivable or "valuable papers and records"; except as otherwise provided for in this policy.
- 3. Covered Causes of Loss**
- RISKS OF DIRECT PHYSICAL LOSS unless the loss is:
- a. Excluded in Section B., **EXCLUSIONS**; or
  - b. Limited in Paragraph A.4. Limitations; that follow.
- 4. Limitations**
- a. We will not pay for direct loss of or damage to:
    - (1) Property that is missing, where the only evidence of the direct physical loss or physical damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to the Additional Coverage for "Money" and "Securities".
    - (2) Property that has been transferred to a person or to a place outside the "scheduled premises" on the basis of unauthorized instructions.
    - (3) The interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
      - (a) The building or structure first sustains physical damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
      - (b) The direct physical loss or physical damage is caused by or results from thawing of snow, sleet, or ice on the building or structure.
  - b. Pets and animals are covered only if:
    - (1) They are inside the building; and
    - (2) They are owned by others and boarded by you, or owned by you and held for sale or sold but not delivered.

And then we will pay only if they are killed, stolen, or their destruction is made necessary by a "specified cause of loss".
  - c. For direct physical loss or physical damage by "theft", the following types of property are covered only up to the limits shown:
    - (1) \$2,500 for furs, fur garments and garments trimmed with fur;
    - (2) \$5,000 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$500 or less per item;
    - (3) \$2,500 for patterns, dies, molds and forms; and
    - (4) \$500 for stamps, lottery tickets held for sale and letters of credit.
  - d. Unless specifically provided under a separate endorsement and with a specific Limit of Insurance indicated in the Declarations, we will not pay for direct physical loss of or physical damage to "perishable stock" caused by or resulting from:
    - (1) A change in temperature or humidity resulting from:
      - (a) Mechanical breakdown or failure of:
        - (i) Stationary heating plants; or
        - (ii) Refrigerating, cooling, or humidity control apparatus or equipment;
      - (b) Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires; or
      - (c) Complete or partial failure of electric power on your "scheduled premises".
    - (2) Contamination by refrigerant.

**SPECIAL PROPERTY COVERAGE FORM****5. Additional Coverages****a. Collapse****(1) With respect to Buildings:**

- (a)** Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building cannot be occupied for its intended purpose;
- (b)** A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse;
- (c)** A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building;
- (d)** A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion.

**(2) We will pay for direct physical loss or physical damage caused by or resulting from risks of collapse of a building or any part of a building that is insured by this policy caused only by one or more of the following:**

- (a)** "Specified cause of loss" or breakage of building glass, if such loss or breakage was covered by this policy;
- (b)** Decay that is hidden from view, unless the presence of such decay was known to an insured prior to collapse;
- (c)** Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- (d)** Weight of people or personal property;
- (e)** Weight of rain that collects on a roof; and
- (f)** Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

The criteria set forth in Paragraphs **(1)(a)** through **(1)(d)** do not limit the coverage otherwise provided under this Additional Coverage for the Causes of Loss listed in Paragraph **(2)(a)**, **(2)(d)**, and **(2)(e)**.

**(3) If the collapse is caused by a Covered Cause of Loss listed in Paragraphs **(2)(b)** through **(2)(f)**, we will pay for direct physical loss of or physical damage to the property listed below, but only if such physical loss or physical damage is a direct result of the collapse of a building insured under this policy, and the property is property covered under this policy:**

- (a)** Awnings; gutters and downspouts; yard fixtures; outdoor swimming pools; piers, wharves and docks; beach or diving platforms or appurtenances; retaining walls; walks, roadways and other paved surfaces.

**(4) If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if**

- (a)** The collapse was caused by a cause of loss listed in Paragraphs **(2)(a)** through **(2)(f)** of this Additional Coverage;
- (b)** The personal property which collapses is inside a building; and
- (c)** The property which collapses is not of a kind listed in Paragraph **(3)** above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **(4)** does not apply to personal property if marring or scratching is the only damage to that personal property caused by the collapse.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

**(5) This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this policy.**

**SPECIAL PROPERTY COVERAGE FORM****b. Debris Removal**

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (a) The date of direct physical loss or physical damage; or
- (b) The end of the policy period.

- (2) The most we will pay under this additional Coverage is 25% of the amount we pay for the direct loss of or physical damage to Covered Property plus the deductible in this policy applicable to that physical loss or physical damage.

But this limitation does not apply to any additional Debris Removal limit provided in the Limits of Insurance section.

- (3) This Additional Coverage does not apply to costs to:

- (a) Extract "pollutants and contaminants" from land; or
- (b) Remove, restore or replace polluted or contaminated land or water.

**c. Equipment Breakdown**

- (1) We will pay for direct physical loss or physical damage caused by or resulting from an Equipment Breakdown Accident to Equipment Breakdown Property.

Equipment Breakdown Accident means:

- (a) Mechanical breakdown, including rupture or bursting caused by centrifugal force.
- (b) Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires.
- (c) Explosion of steam boilers, steam piping, steam engines or steam turbines owned or leased by you, or operated under your control.
- (d) Physical loss or physical damage to steam boilers, steam pipes, steam engines or steam turbines

caused by or resulting from any condition or event inside such boilers or equipment.

- (e) Physical loss or physical damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

Equipment Breakdown Property means Covered Property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilization of energy.

The following is not Equipment Breakdown Property:

- (a) Any structure, foundation, cabinet, compartment or air supported structure building;
- (b) Any insulating or refractory material;
- (c) Any sewer piping, any underground vessels or piping, any piping forming a part of a sprinkler system, water piping other than boiler feed water piping, boiler condensate return piping, or water piping forming a part of a refrigerating or air conditioning system;
- (d) Any vehicle or any equipment mounted on a vehicle. As used here, vehicle means any machine or apparatus that is used for transportation or moves under its own power. Vehicle includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester. However, any property that is stationary, permanently installed at a "scheduled premises" and that receives electrical power from an external power source will not be considered a vehicle.
- (e) Any equipment manufactured by you for sale.

**(2) Coverage Extensions**

The following coverage extensions apply only to direct physical loss or physical damage caused by or resulting from an Equipment Breakdown Accident:

**SPECIAL PROPERTY COVERAGE FORM****(a) Hazardous Substances**

We will pay in any one occurrence for the additional cost, not to exceed \$50,000, to repair or replace Covered Property because of contamination by a hazardous substance. This includes the expenses to clean up or dispose of such property. Hazardous substance means any substance that is hazardous to human health or that has been declared by a government agency to be hazardous to human health.

Additional cost in this extension means those beyond what would have been required had no hazardous substance been involved.

This limit is part of and not in addition to the Limits of Insurance for Covered Property.

**(b) Expediting Expenses**

With respect to your damaged Covered Property, we will pay in any one occurrence, up to \$50,000, for the reasonable and necessary additional expenses you incur to:

- (i) Make temporary repairs; or
- (ii) Expedite permanent repairs or permanent replacement.

**(c) Defense**

If a claim or "suit" is brought against you alleging that you are liable for damage to property of another in your care, custody or control directly caused by Equipment Breakdown we will either:

- (i) Settle the claim or "suit"; or
- (ii) Defend you against the claim or "suit," but keep for ourselves the right to settle it at any point.

**(d) Supplementary Payments**

We will pay, with respect to any claim or "suit" we defend:

- (i) All expenses we incur;
- (ii) The cost of bonds to release attachments, but only for bond

amounts within the Limit of Insurance. We do not have to furnish these bonds;

- (iii) All reasonable expenses incurred by you at our request to assist us in the investigation or defense of the claim or "suit" including actual loss of earnings up to \$100 a day because of time off from work;
- (iv) All costs taxed against you in any "suit" we defend;
- (v) Prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer; and
- (vi) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the Limit of Insurance shown in the Declarations.

These payments will not reduce the Limit of Insurance shown in the Declarations.

**(e) Business Income and Extra Expense Extension**

The Business Income and Extra Expense Additional Coverages are extended to provide coverage for a tenant who has a loss of income from the lack of heating, cooling or power as a result of equipment breakdown to mechanical, electrical or pressure equipment of the building owner.

- (f) If Equipment Breakdown Property requires replacement due to an Equipment Breakdown Accident, we will pay your additional cost to replace it with equipment that is better for the environment, safer or more efficient than the equipment being replaced. However, we will not pay more than 125% of what the cost would have been to repair or replace with property of

**SPECIAL PROPERTY COVERAGE FORM**

comparable material and quality. This coverage does not increase any of the applicable limits. This coverage does not apply to any property indicated as being valued on an Actual Cash Value basis.

If you wish to retrofit air conditioning or refrigeration equipment that utilizes a refrigerant containing CFC (chlorofluorocarbon) substances to accept a non-CFC refrigerant or replace the system with a system using a non-CFC refrigerant, we will consider this better for the environment. Any associated Business Income or Extra Expense will be included in determining the additional cost, if Business Income and Extra Expense apply to this policy.

**(3) Additional Condition - Bankruptcy**

The bankruptcy or insolvency of you or your estate will not relieve us of any obligation under this Additional Coverage.

**(4) Jurisdictional Inspections:**

If any boiler or pressure vessel requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf.

**d. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 in any one occurrence for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

**e. Fire Extinguisher Recharge**

We will pay to cover your expenses for recharge of your hand fire extinguishers when they are emptied while fighting fire.

**f. Forgery**

- (1) We will pay for loss resulting directly from forgery or alteration of any check, draft, promissory note, or similar written promises, orders or directions to pay a sum certain in "money" that you or your

agent has issued, or that was issued by someone who impersonates you or your agent. This includes written instruments required in conjunction with any credit, debit, or charge card issued to you or any "employee" for business purposes.

- (2) If you are sued for refusing to pay any Covered Instrument on the basis that it has been forged or altered, and you have our written consent to defend against the "suit", we will pay for any reasonable expenses that you incur and pay in that defense.

- (3) We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

- (a) Money orders, including counterfeit money orders, of any United States or Canadian post office, express company or national or state (or Canadian) chartered bank that are not paid upon presentation; and

- (b) Counterfeit United States or Canadian paper currency.

- (4) The most we will pay in any one occurrence, including legal expenses, under this Additional Coverage is \$5,000, unless a higher Limit of Insurance is shown in the Declarations.

**g. Glass Expense**

We will pay for necessary expenses incurred to:

- (1) Put up temporary plates or board up openings if repair or replacement of damaged glass is delayed;
- (2) Repair or replace encasing frames; and
- (3) Remove or replace obstructions when repairing or replacing glass that is part of a building.

This does not include removing or replacing window displays.

**h. Lock and Key Replacement**

We will pay up to \$1,000 in any one occurrence for the re-keying of locks or the repair or replacement of locks at "scheduled premises" following the theft or the attempted theft of keys by burglars.

**i. Money and Securities**

- (1) We will pay for loss of "money" and "securities" used in your business while

**SPECIAL PROPERTY COVERAGE FORM**

at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the "scheduled premises", or in transit between any of these places, resulting directly from:

- (a) "Theft";
  - (b) Disappearance; or
  - (c) Destruction.
- (2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
- (a) Resulting from accounting or arithmetical errors or omissions;
  - (b) Due to the giving or surrendering of property in any exchange or purchase; or
  - (c) Of property contained in any "money"-operated device unless a continuous recording instrument in the device records the amount of "money" deposited in the "money"-operated device.
- (3) The most we will pay for loss in any one occurrence is:
- (a) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
    - (i) In or on the "scheduled premises"; or
    - (ii) Within a bank or savings institution; and
  - (b) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.
- (4) All loss:
- (a) Caused by one or more persons; or
  - (b) Involving a single act or series of related acts;
- is considered one occurrence.
- (5) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

**j. Ordinance or Law**

- (1) If a Covered Cause of Loss occurs to covered Building property, we will pay on a "scheduled premises" any of the following costs that are caused by enforcement of an ordinance or law:

**Undamaged Part**

- (a) For loss to the undamaged portion of the Building that requires the demolition of parts of the same property not damaged by a Covered Cause of Loss provided that any such ordinance or law resulting in this type of loss:
- (i) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the "scheduled premises"; and
  - (ii) Is in force at the time of the loss.

The most we will pay in any one occurrence for this coverage is \$25,000 as a Limit of Insurance.

**Demolition Cost**

- (b) The cost to demolish and clear the site of undamaged parts of the property caused by enforcement of a building, zoning or land use ordinance or law.

The most we will pay in any one occurrence for this coverage is \$25,000 as a Limit of Insurance.

**Increased Cost of Construction**

- (c) The increased cost to repair, rebuild or reconstruct the covered property, caused by enforcement of a building, zoning or land use ordinance or law.

The most we will pay in any one occurrence for this coverage is \$25,000 as a Limit of Insurance.

**"Tenants Improvements and Betterment"**

- (d) The increased cost to repair, rebuild or reconstruct "tenant's improvements and betterments" caused by enforcement of building, zoning or land use ordinance or law.

The most we will pay in any one occurrence for this coverage is \$25,000 as a Limit of Insurance.

**(2) Additional Exclusions**

We will not pay under this Additional Coverage for:

- (a) The enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or

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remediation of property due to contamination by "pollutants and contaminants" or due to the presence, growth, proliferation, spread of any activity of "fungi", wet or dry rot, bacteria or virus; or

- (b) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants or contaminants", "fungi", wet or dry rot, bacteria or virus.

- (c) Loss caused by, resulting from, contributed to or aggravated by earthquake or volcanic eruption.

- (d) Loss due to an ordinance or law that:

- (i) You were required to comply with before the loss even if the building was undamaged; and

- (ii) You failed to comply with.

**(3) Additional Limitations – Loss to Undamaged Portion of Building**

Subject to the limit stated in Paragraph A.5.j.(1)(a), the insurance provided under this Additional Coverage for loss in value to the undamaged portion of the building is limited as follows:

- (a) If Replacement Cost applies and the property is repaired or replaced on the same or another premises, we will not pay more for physical loss of or physical damage to designated Building property, including loss caused by enforcement of an ordinance or law, than:

- (i) The amount you actually spend to repair, rebuild or reconstruct the Building, but not for more than the amount it would cost to restore the Building on the same premises; and

- (ii) The amount it would cost to restore the undamaged portion to the same height, floor area, style and comparable quality of the original property insured.

- (b) If the Building(s) Full Value Endorsement applies and the property is repaired or replaced on the same or another premises, we will not pay more for physical loss of or physical damage to designated Building property, including loss caused by enforcement of an ordinance or law, than:

- (i) The amount you actually spend to repair, rebuild or reconstruct the Building, but not for more than the amount it would cost to restore the Building on the same premises; and

- (ii) The amount it would cost to restore the undamaged portion to the same height, floor area, style and comparable quality of the original property insured.

- (c) If Replacement Cost or the Building(s) Full Value Endorsement applies and the property is not repaired or replaced, or if Actual Cash Value applies, then we will not pay more for physical loss of or physical damage to designated Building property, including loss caused by enforcement of an ordinance or law, than the lesser of:

- (i) The Actual Cash Value of the Building at the time of loss; or

- (ii) The Limit of Insurance applicable to the covered Building property stated in Paragraph A.5.j.(1)(a).

**(4) Additional Limitation – Demolition Cost**

We will not pay more than the lesser of:

- (a) The amount actually spent to demolish and clear the site of the "scheduled premises"; or

- (b) The applicable Demolition Cost Limit of Insurance as stated in Paragraph A.5.j.(1)(b).

**(5) Additional Limitation – Increased Cost of Construction**

The insurance provided under this Additional Coverage for increased cost of construction is limited as follows:

- (a) We will not pay:

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- (i) Until the property is actually repaired or replaced, at the same or another premises; and
  - (ii) Unless the repairs or replacements are made as soon as reasonably possible after the physical loss or physical damage, not to exceed two years. We may extend this period in writing during the two years.
- (b) If the Building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay is the lesser of:
  - (i) The increased cost of construction at the same premises; or
  - (ii) The applicable Increased Cost of Construction Limit of Insurance stated in Paragraph A.5.j.(1)(c).
- (c) If the ordinance or law requires relocation to another premises, the most we will pay is the lesser of:
  - (i) The Increased Cost of Construction at the new premises; or
  - (ii) The applicable Increased Cost of Construction Limit of Insurance stated in Paragraph A.5.j.(1)(c).
- k. **"Pollutants and Contaminants" Clean Up and Removal**

We will pay your expense to extract "pollutants and contaminants" from land or water at the "scheduled premises" if the discharge, dispersal, seepage, migration, release or escape of the "pollutants and contaminants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

  - (1) The date of direct physical loss or physical damage; or
  - (2) The end of the policy period.

The most we will pay in any one occurrence for each location under this Additional Coverage is \$15,000 for the sum of all such expenses arising out of Covered Causes of Loss.

**I. Preservation of Property**

If it is necessary to move Covered Property from the "scheduled premises" to preserve it from direct physical loss or physical damage by a Covered Cause of Loss, we will pay for any direct physical loss of or physical damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the direct physical loss or physical damage occurs within 45 days after the property is first moved.

**m. Theft Damage to Building**

This Additional Coverage applies only to premises where you are a tenant and are responsible in the lease for physical loss or physical damage to the building you lease, rent, or occupy that is caused by or results from "theft", burglary or robbery.

We will pay for direct physical loss or physical damage directly resulting from "theft", burglary or robbery (except loss by fire or explosion) to a building:

- (1) You occupy, including personal property that is used to maintain or service the building; or
- (2) Containing covered personal property if you are legally liable for such physical loss or physical damage.

But we will not pay for such physical loss of or physical damage to property that is away from the "scheduled premises".

**n. Water Damage, Other Liquid, Powder or Molten Material Damage**

If direct physical loss or physical damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

We will not pay the cost to repair any defect that caused the direct physical loss or physical damage except as provided in paragraph A.5.c., **Equipment Breakdown** of this coverage form. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- (1) Results in discharge of any substance from an automatic fire protection system; or



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(2) Is directly caused by freezing.

**o. Business Income**

(1) We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or physical damage to property at the "scheduled premises", including personal property in the open (or in a vehicle) within 1,000 feet of the "scheduled premises", caused by or resulting from a Covered Cause of Loss.

(2) With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the "scheduled premises" are located, your "scheduled premises" also means:

(a) The portion of the building which you rent, lease or occupy; and

(b) Any area within the building or on the site at which the "scheduled premises" are located, but only if that area services, or is used to gain access to, the "scheduled premises".

(3) We will only pay for loss of Business Income that occurs within 12 consecutive months after the date of direct physical loss or physical damage.

This Additional Coverage is not subject to the Limits of Insurance.

(4) Business Income means the:

(a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no direct physical loss or physical damage had occurred; and

(b) Continuing normal operating expenses incurred, including payroll.

(5) With respect to the coverage provided in this Additional Coverage, suspension means:

(a) The partial slowdown or complete cessation of your business activities; or

(b) That part or all of the "scheduled premises" is rendered untenable as a result of a Covered Cause of Loss if coverage for Business Income applies to the policy.

**p. Extra Expense**

(1) We will pay reasonable and necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or physical damage to property at the "scheduled premises", including personal property in the open (or in a vehicle) within 1,000 feet, caused by or resulting from a Covered Cause of Loss.

(2) With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the "scheduled premises" are located, your "scheduled premises" also means:

(a) The portion of the building which you rent, lease or occupy; and

(b) Any area within the building or on the site at which the "scheduled premises" are located, but only if that area services, or is used to gain access to, the "scheduled premises".

(3) Extra Expense means expense incurred:

(a) To avoid or minimize the suspension of business and to continue "operations":

(i) At the "scheduled premises"; or

(ii) At replacement premises or at temporary locations, including:

(aa) Relocation expenses; and

(bb) Cost to equip and operate the replacement or temporary location, other than those costs necessary to repair or to replace damaged stock and equipment.

(b) To minimize the suspension of business if you cannot continue "operations".

(c) (i) To repair or replace any property; or

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- (ii) To research, replace or restore the lost information on damaged "valuable papers and records";

to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage o., Business Income.

We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or physical damage. This Additional Coverage is not subject to the Limits of Insurance.

- (4) With respect to the coverage provided in this Additional Coverage, suspension means:

- (a) The partial slowdown or complete cessation of your business activities; or
- (b) That part or all of the "scheduled premises" is rendered untenable as a result of a Covered Cause of Loss if coverage for Extra Expense applies to the policy.

**(5) Limitation**

This Extra Expense Coverage does not apply to:

- (a) Any deficiencies in insuring building or business personal property; or
- (b) Any expense related to any recall of products you manufacture, handle or distribute.

**q. Civil Authority**

- (1) This insurance is extended to apply to the actual loss of Business Income you sustain when access to your "scheduled premises" is specifically prohibited by order of a civil authority as the direct result of a Covered Cause of Loss to property in the immediate area of your "scheduled premises".
- (2) The coverage for Business Income will begin 72 hours after the order of a civil authority and coverage will end at the earlier of:

- (a) When access is permitted to your "scheduled premises"; or
- (b) 30 consecutive days after the order of the civil authority.

**r. Extended Business Income**

- (1) If the necessary suspension of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:

- (i) The date you could restore your "operations" with reasonable speed, to the condition that would have existed if no direct physical loss or damage occurred; or
- (ii) 30 consecutive days after the date determined in (1)(a) above.

Loss of Business Income must be caused by direct physical loss or physical damage at the "scheduled premises" caused by or resulting from a Covered Cause of Loss.

- (2) With respect to the coverage provided in this Additional Coverage, suspension means:

- (a) The partial slowdown or complete cessation of your business activities; and
- (b) That a part or all of the "scheduled premises" is rendered untenable as a result of a Covered Cause of Loss.

**s. Business Income from Dependent Properties**

- (1) We will pay for the actual loss of Business Income you sustain due to direct physical loss or physical damage at the premises of a dependent property caused by or resulting from a Covered Cause of Loss.

The most we will pay under this Additional Coverage is \$5,000 in any one occurrence unless a higher Limit of Insurance is indicated in the Declarations.

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- (2) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations", in whole or in part, by using any other available:

- (a) Source of materials; or
- (b) Outlet for your products.

- (3) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

- (4) Dependent Property means property owned, leased or operated by others whom you depend on to:

- (a) Deliver materials or services to you or to others for your account. But services do not include:
  - (i) Water, communication, power services or any other utility services; or
  - (ii) Any type of web site, or Internet service.

- (b) Accept your products or services;
- (c) Manufacture your products for delivery to your customers under contract for sale; or
- (d) Attract customers to your business premises.

The dependent property must be located in the coverage territory of this policy.

- (5) The coverage period for Business Income under this Additional Coverage:

- (a) Begins 72 hours after the time of direct physical loss or physical damage caused by or resulting from a Covered Cause of Loss at the premises of the dependent property; and
- (b) Ends on the date when the property at the premises of the dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

- (6) The Business Income coverage period, as stated in Paragraph (5), does not include any increased period required due to the enforcement of any ordinance or law that:

- (a) Regulates the construction, use or repair, or requires the tearing down of any property; or

- (b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects "pollutants."

- (7) The definition of Business Income contained in the Business Income Additional Coverage also applies to this Business Income From Dependent Properties Additional Coverage.

**t. Tenant Glass**

This Additional Coverage applies only to premises where you are a tenant and are responsible in the lease for such damage.

We will cover loss to glass, which is in your care, custody or control and for which the lease holds you responsible. The glass must be part of a building described in the Declarations or at a location that would be included in Coverage Extension b. Newly Acquired or Constructed Property.

The most that we will pay in any one occurrence for each location under this Additional Coverage is \$25,000.

**u. Leasehold Improvements**

If your lease is cancelled in accordance with a valid lease provision as the direct result of a Covered Cause of Loss to property at the location in which you are a tenant, and you cannot legally remove "Tenant Improvements and Betterments", we will extend Business Personal Property coverage to apply to the unamortized value of "Tenants Improvement and Betterment" that remain and that you were forced to abandon.

The most we will pay in any one occurrence for loss under this Additional Coverage is \$25,000.

**v. Lease Assessment**

Your Business Personal Property is extended to apply to your share of any assessment charged to all tenants by the building owner as a result of direct physical damage caused by or resulting from a Covered Cause of Loss to building property you occupy as agreed to in your written lease agreement.

We will pay no more than \$2,500 in any one occurrence for this Additional Coverage.

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Except as otherwise provided, the following Extensions apply to property located in or on the building at the "scheduled premises" or in the open (or in a vehicle) within 1,000 feet of the "scheduled premises". All Coverage Extensions are subject to the terms, conditions and exclusions of this policy, except as otherwise provided.

In addition to the Limits of Insurance, you may extend the insurance provided by this policy as follows:

**a. Accounts Receivable**

- (1) You may extend the insurance that applies to your Business Personal Property, to apply to your accounts receivable.

We will pay for:

- (a) All amounts due from your customers that you are unable to collect;
- (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (c) Collection expenses in excess of your normal collection expenses that are made necessary by the physical loss or physical damage; and
- (d) Other reasonable expenses that you incur to reestablish your records of accounts receivable;

that result from direct physical loss of or physical damage to your records of accounts receivable.

- (2) Paragraph A.3., Covered Causes of Loss, and Section B., Exclusions, do not apply to this Additional Coverage except for:

- (a) Paragraph B.1.b., Governmental Action;
- (b) Paragraph B.1.c., Nuclear Hazard; and
- (c) Paragraph B.1.e., War and Military Action.

- (3) Additional Exclusions

- (a) Dishonest acts by you, anyone else with an interest in the records of accounts receivable, or your or their employees or authorized

representatives, or anyone entrusted with the records of accounts receivable, whether or not acting alone or in collusion with other persons or occurring during the hours of employment.

This exclusion does not apply to a carrier for hire.

- (b) Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money," "securities," or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- (c) Bookkeeping, accounting or billing errors or omissions.
- (d) Electrical or magnetic injury, disturbance or erasure of electronic recordings.

But we will pay for direct physical loss or physical damage caused by Lightning.

- (e) Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- (f) Unauthorized instructions to transfer property to any person or to any place.

- (4) We will not pay for direct physical loss or physical damage that requires any audit of records or any inventory computation to prove its factual existence.

- (5) The most we will pay in any one occurrence for direct physical loss of or physical damage to your accounts receivable at each "scheduled premises" is \$25,000.

- (6) The most we will pay in any one occurrence for direct physical loss of or physical damage to accounts receivables away from the "scheduled premises", including while in transit, is \$25,000.

**b. Arson and "Theft" Reward**

- (1) In the event that a covered fire loss was the result of an act of arson, we will reimburse you for rewards you pay for information leading to convictions for that act of arson.

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- (2) In the event of a covered "theft" loss, we will reimburse you for rewards you pay for information leading to convictions for the "theft" loss.

The most we will pay to reimburse you in any one occurrence for arson or "theft" rewards is \$10,000.

This is additional insurance. The deductible does not apply to these reimbursements.

**c. Data and Software**

We will pay up to \$10,000 in any one occurrence to cover your costs to research, replace or restore "data" or "software" which exists or existed on electronic or magnetic "media" that is lost or damaged as a result of direct physical loss or physical damage to "computer equipment" at the "scheduled premises".

**d. Garages, Storage Buildings and Other Appurtenant Structures**

- (1) You may extend the insurance that applies to Building to apply to garages, storage buildings and other appurtenant structures, except outdoor fixtures, at the "scheduled premises".

The most we will pay in any one occurrence for direct physical loss or physical damage under this Extension is \$50,000 at each "scheduled premises".

- (2) You may extend the insurance that applies to Business Personal Property in garages, storage buildings and other appurtenant structures at the "scheduled premises".

The most we will pay in any one occurrence for direct physical loss or physical damage under this Extension is \$5,000 at each "scheduled premises".

**e. Newly Acquired or Constructed Property**

- (1) You may extend the insurance that applies to Building to apply to:

- (a) Your new buildings while being built on the "scheduled premises"; and
- (b) Buildings you acquire at locations other than the "scheduled premises", intended for:
  - (i) Similar use as the Building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay in any one occurrence for loss or damage under this Extension is 25% of the Limit of Insurance for Building shown in the Declarations, but not more than \$500,000 at each premises.

- (2) You may extend the insurance that applies to Business Personal Property to apply to:

- (a) Property at any premises you acquire or construct;
- (b) Business Personal Property, including such property that you newly acquire, located at your newly constructed building, or
- (c) Business Personal Property that you newly acquire, located at the "scheduled premises".

This extension does not apply to:

- (a) Personal Property that you temporarily acquire in the course of installing or performing work on such property;
- (b) Personal property of others that you temporarily acquire in the course of your wholesaling activity.
- (c) Merchandise held for sale, except as provided under Paragraph C.6. Business Personal Property Limit – Seasonal Increase.

The most we will pay in any one occurrence for direct physical loss or physical damage under this Extension is \$250,000 at each premises.

- (3) You may extend the insurance that applies to Business Income and Extra Expense to apply to newly acquired or constructed locations.

The most we will pay in any one occurrence under this Extension is \$50,000.

- (4) If Covered Property is moved to a new premises endorsed onto this policy, from a "scheduled premises" being endorsed off this policy, the Limit of Insurance applicable to that vacated premises will apply proportionately to both premises as the property is moved. This coverage applies to up to 180 days after the move begins or upon completion of the move, whichever is sooner. This coverage does not apply to Business Personal Property while in transit.

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- (5) Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:

- (a) This policy expires;
- (b) 180 days after you acquire or begin to construct the property, or
- (c) You report values to us.

We will charge you additional premium for values reported from the day construction begins or you acquire the property.

**f. Outdoor Property**

You may extend the insurance provided by this policy to apply to your outdoor:

- (1) Fences, signs (other than signs attached to buildings), trees, shrubs and plants caused by or resulting from any of the following causes of loss:

- (a) Fire;
- (b) Lightning;
- (c) Explosion;
- (d) Riot or Civil Commotion; and
- (e) Aircraft.

The most we will pay in any one occurrence for direct physical loss or physical damage, including debris removal expense, under this Extension is \$10,000 but not more than \$1,000 for any one tree, shrub or plant.

- (2) Radio and television antennas (including satellite dishes) caused by or resulting from any of the following causes of loss:

- (a) Fire;
- (b) Lightning;
- (c) Windstorm;
- (d) Ice, Snow, Sleet or Hail;
- (e) Explosion;
- (f) Riot or Civil Commotion; and
- (g) Aircraft.

The most we will pay in any one occurrence for direct physical loss or physical damage, including debris removal expense, under this Extension is \$2,000.

**g. Personal Effects**

You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your officers, your partners, "managers", "members", or your employees.

The most we will pay in any one occurrence for physical loss or physical damage under this Extension is \$10,000 at each "scheduled premises".

**h. Property Off-Premises**

- (1) You may extend the insurance that applies to Building to apply to such property that is temporarily at a location you do not own, lease or operate. This Extension applies only if physical loss or physical damage is caused by or resulting from a Covered Cause of Loss. This Extension does not apply to property in course of transit.

The most we will pay in any one occurrence under this coverage extension is \$5,000.

- (2) You may extend the insurance that applies to Business Personal Property to apply to such property, other than Accounts Receivable, "money" and "securities" while:

- (a) In the course of transit and more than 1,000 feet from the "scheduled premises". Property must be in or on, but not permanently attached to or installed in, a motor vehicle you own, lease or operate while between points in the coverage territory; or
- (b) Temporarily at a premises you do not own, lease or operate.
- (c) At a premises owned, leased, operated or used by you and the Business Personal Property is a vending machine.
- (d) In or on, but not permanently attached to or installed in, motor vehicles operated by your employees in the course of your business operations.
- (e) On temporary public display, or while being used at fairs, exhibitions, expositions, or trade shows or while in transit to and from these temporary sites.

The most we will pay in any one occurrence under this Extension is \$2,500.

**i. Valuable Papers and Records - Cost of Research**

You may extend the insurance that applies to Business Personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged "valuable papers and records", for which duplicates do not exist.

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The most we will pay in any one occurrence under this Extension is \$25,000 at each "scheduled premises". For "valuable papers and records" not at the "scheduled premises", including while in transit, the most we will pay in any one occurrence is \$25,000.

**B. EXCLUSIONS**

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**a. Earth Movement**

- (1) Earthquake, meaning a shaking or trembling of the earth's crust, caused by underground tectonic forces resulting in breaking, shifting, rising, settling, sinking or lateral movement;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil, and the action of water under the ground surface;

But if Earth Movement, as described in Paragraphs (1) through (4) above, results in fire or explosion, we will pay for the physical loss or physical damage caused by that fire or explosion.

- (5) Volcanic eruption, meaning the eruption, explosion or effusion of a volcano. But if physical loss or physical damage by fire or volcanic action results, we will pay for that resulting physical damage.

Volcanic action means direct physical loss or physical damage resulting from the eruption of a volcano when the physical loss or physical damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust, or particulate matter; or
- (c) Lava flow.

- (d) All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust, or particulate matter. That does not cause direct physical loss or physical damage to Covered Property.

**b. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

**c. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination however caused.

But if physical loss or physical damage by fire results, we will pay for that resulting physical loss or physical damage.

**d. Power Failure**

The failure of power or other utility service supplied to the "scheduled premises", however caused, if the failure occurs away from the "scheduled premises". Failure includes lack of sufficient capacity and reduction in supply necessary to maintain normal operations.

But if physical loss or physical damage by a Covered Cause of Loss results, we will pay for that resulting physical loss or physical damage.

**e. War and Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**f. Water**

- (1) Flood, including the accumulation of surface water, waves, tides, tidal waves, overflow of streams or any other bodies of water, or their spray, all whether driven by wind or not;

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- (2) Mudslide or mud flow;
- (3) Water that backs up from a sewer or drain; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.
 But if loss or damage by fire, explosion or sprinkler leakage results, we will pay for that resulting physical loss or physical damage.
- (5) Water damage caused by or resulting from earthquake or volcanic eruption:
  - (a) Earthquake means a shaking or trembling of the earth's crust, caused by underground tectonic forces resulting in breaking, shifting, rising, settling, sinking or lateral movement or other movement;
  - (b) Volcanic eruption means the eruption, explosion or effusion of a volcano.

**g. Neglect**

Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

- 2. We will not pay for physical loss or physical damage caused by or resulting from:
  - a. **Consequential Losses:** Delay, loss of use or loss of market.
  - b. **Smoke, Vapor, Gas:** Smoke, vapor or gas from agricultural smudging or industrial operations.
  - c. **Miscellaneous Types of Loss:**
    - (1) Wear and tear;
    - (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
    - (3) Smog;
    - (4) Settling, cracking, shrinking or expansion;
    - (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, mold, spore or other animals;

- (6) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature; or
  - (c) Marring or scratching.

But if physical loss or physical damage by the "specified causes of loss", building glass breakage or Equipment Breakdown Accident results, we will pay for that resulting physical loss or physical damage.

- d. **Frozen Plumbing:** Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1) You do your best to maintain heat in the building or structure; or
  - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- e. **Dishonesty:** Dishonest or criminal act by you, any of your partners, "members", officers, "managers", employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
  - (1) Acting alone or in collusion with others; or
  - (2) Whether or not occurring during the hours of employment.
 This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.
- f. **False Pretense:** Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- g. **Exposed Property:** Rain, snow, ice or sleet to personal property in the open, except as provided in the Coverage Extension for Outdoor Property.
- h. **Collapse:** Collapse, except as provided in the Additional Coverage for Collapse. But if loss or damage by a Covered Cause of Loss results at the "scheduled premises", we will pay for that resulting loss or damage.
- i. **Pollution:** We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants and



**SPECIAL PROPERTY COVERAGE FORM**

contaminants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss." But if physical loss or physical damage by the "specified causes of loss" results, we will pay for the resulting physical loss or physical damage caused by the "specified cause of loss."

3. We will not pay for loss or damage caused by or resulting from any of the following. But if physical loss or physical damage by a Covered Cause of Loss results, we will pay for that resulting physical loss or physical damage.

a. **Weather conditions:** Weather conditions. This exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the physical loss or physical damage.

b. **Acts or Decisions:** Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. **Negligent Work:** Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance of part or all of any property on or off the "scheduled premises".

4. **Business Income and Extra Expense Exclusions.** We will not pay for:

a. Any Extra Expense, or increase of Business Income loss, caused by or resulting from:

- (1) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
- (2) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration".

b. Any other consequential loss.

**5. Equipment Breakdown Exclusion**

We will not pay for physical loss or physical damage caused by or resulting from any of the following tests:

- (a) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
- (b) An insulation breakdown test of any type of electrical equipment.

**C. LIMITS OF INSURANCE**

1. The most we will pay for physical loss or physical damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

2. The most we will pay for physical loss of or physical damage to outdoor signs attached to buildings is \$5,000 per sign in any one occurrence.

3. The limits applicable to:

a. Coverage Extensions; and

b. The following Additional Coverages:

- (1) Accounts Receivable,
- (2) Fire Department Service Charges,
- (3) Fire Extinguisher Recharge, and
- (4) "Pollutants and Contaminants" Clean Up and Removal

are in addition to the Limits of Insurance.

4. Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

a. Preservation of Property; or

b. Debris Removal; but if:

- (1) The sum of direct physical loss or physical damage and Debris Removal expense exceeds the Limit of Insurance; or
- (2) The Debris Removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage.

We will pay up to an additional \$10,000 for each location stated in the Declarations in any one occurrence under the Debris Removal Additional Coverage.

**5. Building Limit - Automatic Increase**

a. The Limit of Insurance for Buildings will automatically increase annually by 8%.

b. The amount of increase will be:

- (1) The Limit of Insurance for Buildings that applied on the most recent of the policy

**SPECIAL PROPERTY COVERAGE FORM**

inception date, policy anniversary date, or the date of any other policy change amending the Buildings limit, times

- (2) The percentage of annual increase shown above, expressed as a decimal (.08); times
- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance for Buildings, divided by 365.

Example: The applicable Limit of Insurance for Buildings is \$100,000. The annual percentage increase is 8%. The number of days since the beginning of the policy period (or last policy change) is 146.

The amount of increase is:

$\$100,000 \times .08 \times 146 \text{ divided by } 365 = \$3,200$

**6. Business Personal Property Limit - Seasonal Increase**

- a. The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.
- b. This increase will apply only if all Limits of Insurance shown in the Declarations for Business Personal Property at the "scheduled premises" is at least 100% of your average monthly values during the lesser of:
  - (1) The 12 months immediately preceding the date the physical loss or physical damage occurs; or
  - (2) The period of time you have been in business as of the date the physical loss or physical damage occurs.

**D. DEDUCTIBLES**

1. We will not pay for physical loss or physical damage in any one occurrence until the amount of physical loss or physical damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.
2. Except as otherwise listed, the deductible applicable to Additional Coverages and Coverage Extensions is the Special Property Coverage Form is \$250.
3. A \$250 deductible applies to the following Glass Coverages, unless Glass Coverage is provided under a separate coverage form:

- a. Building Glass
- b. Glass Expense
- c. Tenant Glass

4. Unless a separate deductible is shown in the Declarations, the deductible applicable to the following Additional Coverages or Coverage Extensions is \$250, whether the coverage is provided under this coverage form, provided on a separate coverage form or the coverage is provided in a form that includes a package of coverages, such as a Stretch endorsement:

- a. Accounts Receivable;
- b. Fine Arts
- c. Outdoor Signs; and
- d. "Valuable Papers and Records";

5. Unless a separate deductible is shown in the Declarations, the deductible applicable to the following Additional Coverages or Coverage Extensions is \$100, whether the coverage is provided under this coverage form, provided on a separate coverage form or the coverage is provided in a form that includes a package of coverages, such as a Stretch endorsement:

- a. Employee Dishonesty; and
- b. Temperature Change.

6. No deductible applies to the following Coverage Extensions and Additional Coverages:

- a. Fire Extinguisher Recharge;
- b. Preservation of Property;
- c. Fire Department Service Charge;
- d. Business Income, Extra Expense, Civil Authority and Extended Business Income;
- e. Arson Reward; and
- f. Lock and Key Replacement

6. The Deductible applicable to the following Additional Coverages is the policy deductible or the deductible shown in the Declarations for the following coverage:

- a. Equipment Breakdown;
- b. Ordinance or Law Coverage; and
- c. Leasehold Improvements.

7. Each deductible applicable to this policy shall be applied separately but only to the coverage specified, and the total deductible for all losses in any one occurrence shall be the highest deductible amount that applies to the occurrence.

**E. PROPERTY LOSS CONDITIONS**

**1. Abandonment**

There can be no abandonment of any property to us.

**SPECIAL PROPERTY COVERAGE FORM****2. Appraisal**

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In that event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss.

If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

**3. Duties In The Event Of Loss Or Damage**

You must see that the following are done in the event of loss of or damage to Covered Property:

- a. Notify the police if a law may have been broken.
- b. Give us prompt notice of the physical loss or physical damage. Include a description of the property involved.
- c. As soon as possible, give us description of how, when and where the physical loss or physical damage occurred.
- d. Take all reasonable steps to protect the Covered Property from further damage by a Covered Cause of Loss. If feasible, set the damaged property aside in the best possible order for examination. Also, keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim.

This will not increase the Limits of Insurance.

- e. At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- f. Permit us to inspect the property and records proving the loss or damage. Also permit us to take samples of damaged property for inspection, testing and analysis.
- g. If requested, permit us to question you under oath at such times as may be reasonably required about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed.

- h. Send us a signed, sworn statement of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- i. Cooperate with us in the investigation or settlement of the claim.

- j. Resume part or all of your "operations" as quickly as possible.

**4. Legal Action Against Us**

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within 2 years after the date on which the direct physical loss or physical damage occurred.

**5. Loss Payment**

In the event of physical loss or physical damage covered by this policy:

- a. At our option we will either:
  - (1) Pay the value of physically lost or physically damaged property, as described in paragraph d. below;
  - (2) Pay the cost of repairing or replacing the physically lost or physically damaged property, plus any reduction in value of repaired items;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality.
- b. We will give notice of our intentions within 30 days after we receive the sworn statement of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. We will determine the value of Covered Property as follows:
  - (1) At replacement cost (without deduction for depreciation), except as provided in (2) through (7) below.
  - (a) You may make a claim for physical loss or physical damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have physical loss or physical damage settled on an actual cash value basis, you may still make a claim on a

**SPECIAL PROPERTY COVERAGE FORM**

replacement cost basis if you notify us of your intent to do so within 180 days after the physical loss or physical damage.

- (b) We will not pay on a replacement cost basis for any physical loss or physical damage:

- (i) Until the physically lost or physically damaged property is actually repaired or replaced; and
- (ii) Unless the repairs or replacement are made as soon as reasonably possible after the physical loss or physical damage.

However, if the cost to repair or replace the damaged property is \$2,500 or less, we will settle the loss according to the provisions of Paragraphs d.(1)(a) and d.(1)(b) above whether or not the actual repair or replacement is complete.

- (c) We will not pay more for physical loss or physical damage on a replacement cost basis than the least of:

- (i) The cost to replace, on the same premises, the physically lost or physically damaged property with other property of comparable material and quality and which is used for the same purpose; or
- (ii) The amount you actually spend that is necessary to repair or replace the physically lost or physically damaged property.

- (2) If the **Actual Cash Value - Buildings** option applies, as shown in the Declarations, paragraph (1) above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.

- (3) The following property at actual cash value:

- (a) Manuscripts;
- (b) Works of art, antiques or rare articles, including etchings, pictures, statuary, objects of marble, bronzes, porcelains and bric-a-brac.

- (c) Household contents, except personal property in apartments or rooms furnished by you as landlord.

- (4) Glass at the cost of replacement with safety glazing material if required by law.

- (5) "Tenants' Improvements and Betterments" at:

- (a) Replacement cost if you make repairs promptly.

- (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

- (i) Multiply the original cost by the number of days from the physical loss or physical damage to the expiration of the lease; and
- (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (c) Nothing, if others pay for repairs or replacement.

- (6) "Valuable Papers and Records", at the cost of:

- (a) Blank materials for reproducing the records; and
- (b) Labor to transcribe or copy the records.

- (7) "Money" and "Securities":

- (a) "Money" at its face value; and
- (b) "Securities" at their value at the close of business on the day the loss is discovered.

- (8) The value of United States Government Internal Revenue taxes and custom duties and refundable state and local taxes paid or fully determined on the following property held for sale will not be considered in determining the value of Covered Property:

- (a) Distilled spirits;
- (b) Wines;

**SPECIAL PROPERTY COVERAGE FORM**

- (c) Rectified products; or
  - (d) Beer.
  - (9) Applicable to Accounts Receivable:
    - (a) If you can not accurately establish the amount of the accounts receivable outstanding as of the time of physical loss or physical damage the following method will be used:
      - (i) Determine the total of the average monthly value of accounts receivable for 12 months immediately preceding the month in which the direct physical loss or physical damage occurred; and
      - (ii) Adjust the total determined in paragraph (i) above for any normal fluctuations in the value of accounts receivable for the month in which the direct physical loss or physical damage occurred for any demonstrated variance from the average of that month.
    - (b) The following will be deducted from the total value of accounts receivable, however that value is established:
      - (i) The value of the accounts for which there is no physical loss or physical damage;
      - (ii) The value of the accounts that you are able to re-establish or collect;
      - (iii) A value to allow for probable bad debts that you are normally unable to collect; and
      - (iv) All unearned interest and services charged.
  - e. Our payment for physical loss of or physical damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of physically lost or physically damaged property if other than you. If we pay the owners, such payment will satisfy your claims against us for the owners' property.
- We will not pay the owners more than their financial interest in the Covered Property.

- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
  - g. We will pay for covered physical loss or physical damage within 30 days after we receive the sworn statement of loss, if:
    - (1) You have complied with all of the terms of this policy; and
    - (2) (a) We have reached agreement with you on the amount of loss, or
    - (b) An appraisal award has been made.
  - h. The following condition applies to any loss payment for Extra Expense:
 

We will deduct from the total Extra Expense to be paid:

    - (1) The salvage value that remains of any property bought for temporary use during the Period of Restoration, once business operations are resumed; and
    - (2) Any Extra Expense that is paid for by other insurance.
- 6. Recovered Property**
- If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limits of Insurance.
- 7. Resumption of Operations**
- In the event of physical loss or physical damage at the "scheduled premises" you must resume all or part of your "operations" as quickly as possible.
- We will reduce the amount of your:
- a. Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the "scheduled premises" or elsewhere.
  - b. Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- 8. Vacancy**
- a. **Description of Terms**
    - (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in Paragraphs.

**SPECIAL PROPERTY COVERAGE FORM**

(a) and (b) below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
- (ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

**b. Vacancy Provisions**

If the building where physical loss or physical damage occurs has been vacant for more than 60 consecutive days before that physical loss or physical damage occurs:

(1) We will not pay for any physical loss or physical damage caused by any of the following even if they are Covered Causes of Loss:

- (a) Vandalism;
- (b) Sprinkler leakage, unless you had protected the system against freezing;
- (c) Building glass breakage;
- (d) Water damage;
- (e) Theft; or
- (f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the physical loss or physical damage by 15%.

**F. PROPERTY GENERAL CONDITIONS**

**1. Control of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Form at one or more locations will not affect coverage at any location where, at the time of physical loss or physical damage, the breach of condition does not exist.

**2. Mortgage Holders**

- a. The term mortgage holder includes trustee.
- b. We will pay for covered physical loss of or physical damage to buildings or structures to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgage holder will still have the right to receive loss payment if the mortgage holder:

- (1) Pays any premium due under this policy at our request if you have failed to do so;
- (2) Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

All of the terms of this policy will then apply directly to the mortgage holder.

- e. If we pay the mortgage holder for any physical loss or physical damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:

- (1) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgage holder's rights to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

**SPECIAL PROPERTY COVERAGE FORM**

f. If we cancel this policy, we will give written notice to the mortgage holder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your non payment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

g. If we elect not to renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

**3. No Benefit to Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**4. Policy Period, Coverage Territory**

Under this form:

a. We cover physical loss or physical damage commencing:

- (1) During the policy period shown in the Declarations; and
- (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.

But we do not cover physical loss or physical damage that is also covered by a preceding policy.

b. The coverage territory is:

- (1) The United States of America (including its territories and possessions);
- (2) Puerto Rico; and
- (3) Canada.

**5. Additional Conditions**

The following conditions apply to paragraph A.5.u., Forgery Additional Coverage:

- a. We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.
- b. You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.
- c. The Coverage Territory is revised to cover loss you sustain anywhere in the world.

**G. PROPERTY DEFINITIONS**

1. "Computer" means a programmable electronic device that can store, retrieve and process "data".

2. "Computer Equipment" means "computers", "peripheral devices", "media", and manuals that are purchased to be used in conjunction with hardware and "software".

3. "Counterfeit" means an imitation of an actual valid original which is intended to deceive and to be taken as the original.

4. "Data" means information or facts stored in a "computer's" memory, on "software" or on "media".

5. "Finished Stock" means stock you have manufactured.

"Finished Stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this policy.

6. "Manager" means a person serving in a directorial capacity for a limited liability company.

7. "Media" means the material used solely with the "computer" or "peripheral device" upon which "software" or "data" is stored, such as tapes, CD-ROMs or disks.

8. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".

9. "Messenger" means you, any any of your partners or any employee while having care and custody of the property outside your premises.

10. "Money" means:

- a. Currency, coins and bank notes whether or not in current use; and
- b. Travelers checks, registered checks and money orders held for sale to the public.

11. "Operations" means your business activities occurring at the "scheduled premises" and tenantability of the "scheduled premises".

12. "Period of Restoration" means the period of time that:

- a. Begins with the date of direct physical loss or physical damage caused by or resulting from a Covered Cause of Loss at the "scheduled premises", and
- b. Ends on the date when:
  - (1) The property at the "scheduled premises" should be repaired, rebuilt or replaced with reasonable speed and similar quality;
  - (2) The date when your business is resumed at a new, permanent location.

**SPECIAL PROPERTY COVERAGE FORM**

"Period of Restoration" does not include any increased period required due to enforcement of any law that:

- a. Regulates the construction, use or repair, or required the tearing down of any property; or
- b. Regulates the prevention, control, repair, clean up or restoration of environmental damage.

The expiration date of this policy will not cut short the "period of restoration".

13. "Peripheral Device" means any physical unit used to operate the "computer" that cannot be used for purposes other than as part of the computer's system, such as tape or disk drives, printers, or modems.
14. "Perishable Stock" means personal property:
  - a. Maintained under controlled conditions for its preservation; and
  - b. Susceptible to physical loss or physical damage if the controlled conditions change.
15. "Pollutants and Contaminants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, or any other material which causes or threatens to cause physical loss, physical damage, impurity to property, unwholesomeness, undesirability, loss of marketability, loss of use of property, or which threatens human health or welfare. Waste includes materials to be recycled, reconditioned or reclaimed.
16. "Scheduled Premises" means any premises listed by location address in the Scheduled Premises section of the Declarations.
17. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or other property and includes:
  - a. Tokens, tickets except Lottery Tickets, revenue and other non-postage stamps whether or not in current use; and
  - b. Evidences of debt issued in connection with credit or charge cards, which are not of your own issue;
 but does not include "money."
18. "Software" means instructions or programs that are stored on "media" and which instruct the hardware as to how to process "data".

19. "Specified Cause of Loss" means the following:
 

Fire; lightning; explosion, windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. It does not include the cost of filling sinkholes.
  - b. Falling objects does not include loss of or damage to:
    - (1) Personal property in the open; or
    - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
  - c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.
20. "Suit" means a civil proceeding and includes:
  - a. An arbitration proceeding in which damages are claimed and to which you must submit or do submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which damages are claimed and to which you submit with our consent.
21. "Tenant Improvements and Betterments" means fixtures, alterations, installations or additions made a part of the Building you occupy but do not own and that you cannot legally remove; and
  - a. Which are made at your expense; or
  - b. That you acquired from the prior tenant at your expense.
22. "Theft" means the act of stealing.
23. "Valuable papers and records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages.
 

But "valuable papers and records" does not mean "money" and "securities", "data" and "software" or the materials on which the "data" and "software" is recorded.



## **BUSINESS LIABILITY COVERAGE FORM**

**QUICK REFERENCE**  
**BUSINESS LIABILITY COVERAGE FORM**  
**READ YOUR POLICY CAREFULLY**

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## BUSINESS LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the stock insurance company member of The Hartford providing this insurance.

The word "insured" means any person or organization qualifying as such under Section C. - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section G. - Liability And Medical Expenses Definitions.

### A. COVERAGES

#### 1. BUSINESS LIABILITY COVERAGE (BODILY INJURY, PROPERTY DAMAGE, PERSONAL AND ADVERTISING INJURY)

##### Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance does not apply.

We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section D. - Liability And Medical Expenses Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses to which this insurance applies.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Coverage Extension - Supplementary Payments.

- b. This insurance applies:

- (1) To "bodily injury" and "property damage" only if:

- (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (b) The "bodily injury" or "property damage" occurs during the policy period; and

- (c) Prior to the policy period, no insured listed under Paragraph 1. of Section C. - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- (2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

- c. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section C. - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

**BUSINESS LIABILITY COVERAGE FORM**

- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
  - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- d. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

**e. Incidental Medical Malpractice**

- (1) "Bodily injury" arising out of the rendering of or failure to render professional health care services as a physician, dentist, nurse, emergency medical technician or paramedic shall be deemed to be caused by an "occurrence", but only if:
  - (a) The physician, dentist, nurse, emergency medical technician or paramedic is employed by you to provide such services; and
  - (b) You are not engaged in the business or occupation of providing such services.
- (2) For the purpose of determining the limits of insurance for incidental medical malpractice, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".

**2. MEDICAL EXPENSES****Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
  - (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
 provided that:
  - (1) The accident takes place in the "coverage territory" and during the policy period;
  - (2) The expenses are incurred and reported to us within three years of the date of the accident; and
  - (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

**3. COVERAGE EXTENSION - SUPPLEMENTARY PAYMENTS**

- a. We will pay, with respect to any claim or "suit" we investigate or settle, or any "suit" against an insured we defend:

- (1) All expenses we incur.
- (2) Up to \$1,000 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
- (3) The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- (4) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.
- (5) All costs taxed against the insured in the "suit".
- (6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

Any amounts paid under (1) through (7) above will not reduce the limits of insurance.

**BUSINESS LIABILITY COVERAGE FORM**

b. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- (1) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- (2) This insurance applies to such liability assumed by the insured;
- (3) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- (4) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interest of the indemnitee;
- (5) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- (6) The indemnitee:
  - (a) Agrees in writing to:
    - (i) Cooperate with us in the investigation, settlement or defense of the "suit";
    - (ii) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
    - (iii) Notify any other insurer whose coverage is available to the indemnitee; and
    - (iv) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
  - (b) Provides us with written authorization to:
    - (i) Obtain records and other information related to the "suit"; and
    - (ii) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments.

Notwithstanding the provisions of Paragraph 1.b.(b) of Section B. – Exclusions, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- (1) We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- (2) The conditions set forth above, or the terms of the agreement described in Paragraph (6) above, are no longer met.

**B. EXCLUSIONS****1. Applicable To Business Liability Coverage**

This insurance does not apply to:

**a. Expected Or Intended Injury**

- (1) "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property; or
- (2) "Personal and advertising injury" arising out of an offense committed by, at the direction of or with the consent or acquiescence of the insured with the expectation of inflicting "personal and advertising injury".

**b. Contractual Liability**

- (1) "Bodily injury" or "property damage"; or
- (2) "Personal and advertising injury"

for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages because of:

- (a) "Bodily injury", "property damage" or "personal and advertising injury" that the insured would have in the absence of the contract or agreement; or

**BUSINESS LIABILITY COVERAGE FORM**

(b) "Bodily injury" or "property damage" assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purpose of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage" provided:

- (i) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract", and
- (ii) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

**c. Liquor Liability**

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

**d. Workers' Compensation And Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

**e. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business, or

- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any insured. However, this subparagraph does not apply to:

- (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

**BUSINESS LIABILITY COVERAGE FORM**

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i) Any insured; or
    - (ii) Any person or organization for whom you may be legally responsible;
  - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
    - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
    - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or
  - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".
- However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

**BUSINESS LIABILITY COVERAGE FORM****g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 51 feet long; and
  - (b) Not being used to carry persons for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment"; or
- (6) An aircraft that is not owned by any insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis.

**h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

- (2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

**i. War**

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**j. Professional Services**

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications;
- (3) Supervisory, inspection, architectural or engineering activities;
- (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;



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- (8) Optometry or optometric services including but not limited to examination of the eyes and the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products;
- (9) Any:
  - (a) Body piercing (not including ear piercing);
  - (b) Tattooing, including but not limited to the insertion of pigments into or under the skin; and
  - (c) Similar services;
- (10) Services in the practice of pharmacy; and
- (11) Computer consulting, design or programming services, including web site design.

Paragraphs (4) and (5) of this exclusion do not apply to the Incidental Medical Malpractice coverage afforded under Paragraph 1.e. in Section A. - Coverages.

**k. Damage To Property**

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in Section D. - Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3) and (4) of this exclusion do not apply to the use of elevators.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraphs (3) and (4) of this exclusion do not apply to "property damage" to borrowed equipment while not being used to perform operations at a job site.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**l. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**m. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**n. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**BUSINESS LIABILITY COVERAGE FORM****o. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**p. Personal And Advertising Injury**

"Personal and advertising injury":

- (1) Arising out of oral, written or electronic publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (2) Arising out of oral, written or electronic publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of a criminal act committed by or at the direction of the insured;
- (4) Arising out of any breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement";
- (5) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (6) Arising out of the wrong description of the price of goods, products or services;
- (7) Arising out of any violation of any intellectual property rights such as copyright, patent, trademark, trade name, trade secret, service mark or other designation of origin or authenticity.

However, this exclusion does not apply to infringement, in your "advertisement", of

- (a) Copyright;
- (b) Slogan, unless the slogan is also a trademark, trade name, service mark or other designation of origin or authenticity; or

(c) Title of any literary or artistic work;

- (8) Arising out of an offense committed by an insured whose business is:

- (a) Advertising, broadcasting, publishing or telecasting;
- (b) Designing or determining content of web sites for others; or
- (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a., b. and c. under the definition of "personal and advertising injury" in Section G. – Liability And Medical Expenses Definitions.

For the purposes of this exclusion, placing an "advertisement" for or linking to others on your web site, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting;

- (9) Arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control;
- (10) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers;
- (11) Arising out of the violation of a person's right of privacy created by any state or federal act.

However, this exclusion does not apply to liability for damages that the insured would have in the absence of such state or federal act;

- (12) Arising out of:

- (a) An "advertisement" for others on your web site;
- (b) Placing a link to a web site of others on your web site;
- (c) Content from a web site of others displayed within a frame or border on your web site. Content includes information, code, sounds, text, graphics or images; or
- (d) Computer code, software or programming used to enable:
  - (i) Your web site; or
  - (ii) The presentation or functionality of an "advertisement" or other content on your web site;

**BUSINESS LIABILITY COVERAGE FORM**

- (13) Arising out of a violation of any anti-trust law;
- (14) Arising out of the fluctuation in price or value of any stocks, bonds or other securities; or
- (15) Arising out of discrimination or humiliation committed by or at the direction of any "executive officer", director, stockholder, partner or member of the insured.

**q. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

**r. Employment-Related Practices**

"Bodily injury" or "personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to the person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**s. Asbestos**

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the "asbestos hazard".
- (2) Any damages, judgments, settlements, loss, costs or expenses that:

- (a) May be awarded or incurred by reason of any claim or suit alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the "asbestos hazard";
- (b) Arise out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an "asbestos hazard"; or
- (c) Arise out of any claim or suit for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an "asbestos hazard".

**t. Violation Of Statutes That Govern E-Mails, Fax, Phone Calls Or Other Methods Of Sending Material Or Information**

"Bodily injury", "property damage", or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

**Damage To Premises Rented To You – Exception For Damage By Fire, Lightning or Explosion**

Exclusions c. through h. and k. through o. do not apply to damage by fire, lightning or explosion to premises rented to you or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in Section D. - Liability And Medical Expenses Limits Of Insurance.

**BUSINESS LIABILITY COVERAGE FORM****2. Applicable To Medical Expenses Coverage**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers' Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

**f. Products-Completed Operations Hazard**

Included with the "products-completed operations hazard".

**g. Business Liability Exclusions**

Excluded under Business Liability Coverage.

**C. WHO IS AN INSURED****1. If you are designated in the Declarations as:**

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

**2. Each of the following is also an insured:****a. Employees And Volunteer Workers**

Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, none of these "employees" or "volunteer workers" are insureds for:

- (1) "Bodily injury" or "personal and advertising injury":
  - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
  - (b) To the spouse, child, parent, brother or sister of that co-"employee" or that "volunteer worker" as a consequence of Paragraph (1)(a) above;
  - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or
  - (d) Arising out of his or her providing or failing to provide professional health care services.
- If you are not in the business of providing professional health care services, Paragraph (d) does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services.
- (2) "Property damage" to property:
  - (a) Owned, occupied or used by,

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- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

**b. Real Estate Manager**

Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

**c. Temporary Custodians Of Your Property**

Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

**d. Legal Representative If You Die**

Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this insurance.

**e. Unnamed Subsidiary**

Any subsidiary and subsidiary thereof, of yours which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of this Coverage Part.

The insurance afforded herein for any subsidiary not shown in the Declarations as a named insured does not apply to injury or damage with respect to which an insured under this insurance is also an insured under another policy or would be an insured under such policy but for its termination or upon the exhaustion of its limits of insurance.

**3. Newly Acquired Or Formed Organization**

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial interest of more than 50% of the voting stock, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and

- b. Coverage under this provision does not apply to:

- (1) "Bodily injury" or "property damage" that occurred; or
- (2) "Personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

**4. Operator Of Mobile Equipment**

With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

**5. Operator of Nonowned Watercraft**

With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability.

However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person operating the watercraft; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

**6. Additional Insureds When Required By Written Contract, Written Agreement Or Permit**

The person(s) or organization(s) identified in Paragraphs a. through f. below are additional insureds when you have agreed, in a written

**BUSINESS LIABILITY COVERAGE FORM**

contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional insured on your policy, provided the injury or damage occurs subsequent to the execution of the contract or agreement, or the issuance of the permit.

A person or organization is an additional insured under this provision only for that period of time required by the contract, agreement or permit.

However, no such person or organization is an additional insured under this provision if such person or organization is included as an additional insured by an endorsement issued by us and made a part of this Coverage Part, including all persons or organizations added as additional insureds under the specific additional insured coverage grants in Section F. – Optional Additional Insured Coverages.

**a. Vendors**

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

- (1) The insurance afforded to the vendor is subject to the following additional exclusions:

This insurance does not apply to:

- (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in the product made intentionally by the vendor;
- (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (i) The exceptions contained in Subparagraphs (d) or (f); or

- (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

**b. Lessors Of Equipment**

- (1) Any person or organization from whom you lease equipment; but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

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- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

**c. Lessors Of Land Or Premises**

- (1) Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
- (a) Any "occurrence" which takes place after you cease to lease that land or be a tenant in that premises; or
  - (b) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

**d. Architects, Engineers Or Surveyors**

- (1) Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
- (a) In connection with your premises; or
  - (b) In the performance of your ongoing operations performed by you or on your behalf.
- (2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:
- This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:
- (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
  - (b) Supervisory, inspection, architectural or engineering activities.

**e. Permits Issued By State Or Political Subdivisions**

- (1) Any state or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
- (a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
  - (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

**f. Any Other Party**

- (1) Any other person or organization who is not an insured under Paragraphs a. through e. above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
- (a) In the performance of your ongoing operations;
  - (b) In connection with your premises owned by or rented to you; or
  - (c) In connection with "your work" and included within the "products-completed operations hazard", but only if
    - (i) The written contract or written agreement requires you to provide such coverage to such additional insured; and
    - (ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
- "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

**BUSINESS LIABILITY COVERAGE FORM**

(a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

(b) Supervisory, inspection, architectural or engineering activities.

The limits of insurance that apply to additional insureds are described in Section D. – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. – Liability And Medical Expenses General Conditions.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

## **D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE**

### **1. The Most We Will Pay**

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

### **2. Aggregate Limits**

The most we will pay for:

- a. Damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" is the Products-Completed Operations Aggregate Limit shown in the Declarations.
- b. Damages because of all other "bodily injury", "property damage" or "personal and advertising injury", including medical expenses, is the General Aggregate Limit shown in the Declarations.

This General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or right-of-way of a railroad.

This General Aggregate limit does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire, lightning or explosion.

### **3. Each Occurrence Limit**

Subject to 2.a. or 2.b above, whichever applies, the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and medical expenses arising out of any one "occurrence" is the Liability and Medical Expenses Limit shown in the Declarations.

The most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses Limit shown in the Declarations.

### **4. Personal And Advertising Injury Limit**

Subject to 2.b. above, the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization is the Personal and Advertising Injury Limit shown in the Declarations.

### **5. Damage To Premises Rented To You Limit**

The Damage To Premises Rented To You Limit is the most we will pay under Business Liability Coverage for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner.

In the case of damage by fire, lightning or explosion, the Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of these.

### **6. How Limits Apply To Additional Insureds**

The most we will pay on behalf of a person or organization who is an additional insured under this Coverage Part is the lesser of:

- a. The limits of insurance specified in a written contract, written agreement or permit issued by a state or political subdivision; or
- b. The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to the Limits of Insurance shown in the Declarations and described in this Section.



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If more than one limit of insurance under this policy and any endorsements attached thereto applies to any claim or "suit", the most we will pay under this policy and the endorsements is the single highest limit of liability of all coverages applicable to such claim or "suit". However, this paragraph does not apply to the Medical Expenses limit set forth in Paragraph 3. above.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

## **E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS**

### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

### **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

#### **a. Notice Of Occurrence Or Offense**

You or any additional insured must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

#### **b. Notice Of Claim**

If a claim is made or "suit" is brought against any insured, you or any additional insured must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You or any additional insured must see to it that we receive a written notice of the claim or "suit" as soon as practicable.

#### **c. Assistance And Cooperation Of The Insured**

You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

#### **d. Obligations At The Insured's Own Cost**

No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

#### **e. Additional Insured's Other Insurance**

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance.

#### **f. Knowledge Of An Occurrence, Offense, Claim Or Suit**

Paragraphs a. and b. apply to you or to any additional insured only when such "occurrence", offense, claim or "suit" is known to:

- (1) You or any additional insured that is an individual;
- (2) Any partner, if you or an additional insured is a partnership;
- (3) Any manager, if you or an additional insured is a limited liability company;
- (4) Any "executive officer" or insurance manager, if you or an additional insured is a corporation;
- (5) Any trustee, if you or an additional insured is a trust; or
- (6) Any elected or appointed official, if you or an additional insured is a political subdivision or public entity.

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This Paragraph f. applies separately to you and any additional insured.

**3. Financial Responsibility Laws**

- a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.
- b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

**4. Legal Action Against Us**

No person or organization has a right under this Coverage Form:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this insurance or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

**5. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom a claim is made or "suit" is brought.

**6. Representations****a. When You Accept This Policy**

By accepting this policy, you agree:

- (1) The statements in the Declarations are accurate and complete;
- (2) Those statements are based upon representations you made to us; and

- (3) We have issued this policy in reliance upon your representations.

**b. Unintentional Failure To Disclose Hazards**

If unintentionally you should fail to disclose all hazards relating to the conduct of your business at the inception date of this Coverage Part, we shall not deny any coverage under this Coverage Part because of such failure.

**7. Other Insurance**

If other valid and collectible insurance is available for a loss we cover under this Coverage Part, our obligations are limited as follows:

**a. Primary Insurance**

This insurance is primary except when b. below applies. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

**b. Excess Insurance**

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

**(1) Your Work**

That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

**(2) Premises Rented To You**

That is fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;

**(3) Tenant Liability**

That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;

**(4) Aircraft, Auto Or Watercraft**

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section A. – Coverages.

**(5) Property Damage To Borrowed Equipment Or Use Of Elevators**

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion k. of Section A. – Coverages.

**BUSINESS LIABILITY COVERAGE FORM****(6) When You Are Added As An Additional Insured To Other Insurance**

That is other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance; or

**(7) When You Add Others As An Additional Insured To This Insurance**

That is other insurance available to an additional insured.

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this Coverage Part:

**(a) Primary Insurance When Required By Contract**

This insurance is primary if you have agreed in a written contract, written agreement or permit that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

**(b) Primary And Non-Contributory To Other Insurance When Required By Contract**

If you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs (a) and (b) do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty under this Coverage Part to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

**c. Method Of Sharing**

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**8. Transfer Of Rights Of Recovery Against Others To Us****a. Transfer Of Rights Of Recovery**

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

**b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)**

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

**BUSINESS LIABILITY COVERAGE FORM****F. OPTIONAL ADDITIONAL INSURED COVERAGES**

If listed or shown as applicable in the Declarations, one or more of the following Optional Additional Insured Coverages also apply. When any of these Optional Additional Insured Coverages apply, Paragraph 6. (Additional Insureds When Required by Written Contract, Written Agreement or Permit) of Section C., Who Is An Insured, does not apply to the person or organization shown in the Declarations. These coverages are subject to the terms and conditions applicable to Business Liability Coverage in this policy, except as provided below:

**1. Additional Insured - Designated Person Or Organization**

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- a. In the performance of your ongoing operations; or
- b. In connection with your premises owned by or rented to you.

**2. Additional Insured - Managers Or Lessors Of Premises**

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Designated Person Or Organization; but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Declarations.

- b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

**3. Additional Insured - Grantor Of Franchise**

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Grantor Of Franchise, but only with respect to their liability as grantor of franchise to you.

**4. Additional Insured - Lessor Of Leased Equipment**

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Lessor of Leased Equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

- b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

**5. Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased**

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you and shown in the Declarations.

- b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" that takes place after you cease to lease that land; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

**6. Additional Insured - State Or Political Subdivision - Permits**

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the state or political subdivision shown in the Declarations as an Additional

**BUSINESS LIABILITY COVERAGE FORM**

Insured – State Or Political Subdivision - Permits, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

- b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
- (2) "Bodily injury" or "property damage" included in the "product-completed operations" hazard.

**7. Additional Insured – Vendors**

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) (referred to below as vendor) shown in the Declarations as an Additional Insured - Vendor, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
- b. The insurance afforded to the vendor is subject to the following additional exclusions:

- (1) This insurance does not apply to:

- (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in the product made intentionally by the vendor;
- (d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (i) The exceptions contained in Subparagraphs (d) or (f); or

- (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

**8. Additional Insured – Controlling Interest**

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Controlling Interest, but only with respect to their liability arising out of:

- a. Their financial control of you; or
- b. Premises they own, maintain or control while you lease or occupy these premises.

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This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**9. Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization**

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owner, Lessees Or Contractors, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

(1) In the performance of your ongoing operations for the additional insured(s); or

(2) In connection with "your work" performed for that additional insured and included within the "products-completed operations hazard", but only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

(1) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

(2) Supervisory, inspection, architectural or engineering activities.

**10. Additional Insured – Co-Owner Of Insured Premises**

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or Organization(s) shown in the Declarations as an Additional Insured – Co-Owner Of Insured Premises, but only with respect to their liability as co-owner of the premises shown in the Declarations.

The limits of insurance that apply to additional insureds are described in Section D. – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. – Liability And Medical Expenses General Conditions.

**G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS**

1. "Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through:

- a. (1) Radio;
- (2) Television;
- (3) Billboard;
- (4) Magazine;
- (5) Newspaper;

b. The Internet, but only that part of a web site that is about goods, products or services for the purposes of inducing the sale of goods, products or services; or

c. Any other publication that is given widespread public distribution.

However, "advertisement" does not include:

a. The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or

b. An interactive conversation between or among persons through a computer network.

2. "Advertising idea" means any idea for an "advertisement".

3. "Asbestos hazard" means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

4. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

5. "Bodily injury" means physical:

- a. Injury;
- b. Sickness; or
- c. Disease

sustained by a person and, if arising out of the above, mental anguish or death at any time.

6. "Coverage territory" means:

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- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above;
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in a. above;
    - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in the United States of America (including its territories and possessions), Puerto Rico or Canada, in a "suit" on the merits according to the substantive law in such territory, or in a settlement we agree to.
7. "Electronic data" means information, facts or programs:
- a. Stored as or on;
  - b. Created or used on; or
  - c. Transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
10. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
11. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by:
- a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
  - b. Your fulfilling the terms of the contract or agreement.
12. "Insured contract" means:
- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or explosion to premises while rented to you or temporarily occupied by you with permission of the owner is subject to the Damage To Premises Rented To You limit described in Section D. – Liability and Medical Expenses Limits of Insurance.
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, including an easement or license agreement in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. Any obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement; or
  - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- Paragraph f. includes that part of any contract or agreement that indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.
- However, Paragraph f. does not include that part of any contract or agreement:

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- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
- (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (1) above and supervisory, inspection, architectural or engineering activities.
13. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
14. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
  - b. While it is in or on an aircraft, watercraft or "auto"; or
  - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  - b. Vehicles maintained for use solely on or next to premises you own or rent;
  - c. Vehicles that travel on crawler treads;
  - d. Vehicles, whether self-propelled or not, on which are permanently mounted:
- (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.
- However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
- (1) Equipment, of at least 1,000 pounds gross vehicle weight, designed primarily for:
    - (a) Snow removal;
    - (b) Road maintenance, but not construction or resurfacing; or
    - (c) Street cleaning;
  - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
  - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
16. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
17. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;



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- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that the person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - e. Oral, written or electronic publication of material that violates a person's right of privacy;
  - f. Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement";
  - g. Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement"; or
  - h. Discrimination or humiliation that results in injury to the feelings or reputation of a natural person.
18. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
19. "Products-completed operations hazard";
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
    - (1) Products that are still in your physical possession; or
    - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed to be completed at the earliest of the following times:
      - (a) When all of the work called for in your contract has been completed.
      - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
      - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.
- b. Does not include "bodily injury" or "property damage" arising out of:
    - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
    - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.
20. "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
  - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of "occurrence" that caused it.
- As used in this definition, "electronic data" is not tangible property.
21. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
22. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
23. "Volunteer worker" means a person who:
- a. Is not your "employee";

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- b. Donates his or her work;
- c. Acts at the direction of and within the scope of duties determined by you; and
- d. Is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

**24. "Your product":**

**a. Means:**

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a) You;
  - (b) Others trading under your name; or
  - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

- (2) The providing of or failure to provide warnings or instructions.

- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

**25. "Your work":**

**a. Means:**

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **BUSINESS LIABILITY COVERAGE FORM AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **BUSINESS LIABILITY COVERAGE FORM**

**A.** Sub-subparagraphs 1.p. (7), (8), (15) of Paragraph 2., of Section B. **Exclusions** are deleted and replaced with the following:

**p. Personal and Advertising Injury:**

(7) (a) Arising out of any actual or alleged infringement or violation of any intellectual property right, such as copyright, patent, trademark, trade name, trade secret, service mark or other designation of origin or authenticity; or

(b) Any injury or damage alleged in any claim or "suit" that also alleges an infringement or violation of any intellectual property right, whether such allegation of infringement or violation is made by you or by any other party involved in the claim or "suit", regardless of whether this insurance would otherwise apply.

However, this exclusion does not apply if the only allegation in the claim or "suit" involving any intellectual property right is limited to:

(1) Infringement, in your "advertisement", of:

(a) Copyright;

(b) Slogan; or

(c) Title of any literary or artistic work; or

(2) Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement".

(8) Arising out of an offense committed by an insured whose business is:

(a) Advertising, broadcasting, publishing or telecasting;

(b) Designing or determining content of web sites for others; or

(c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a., b. and c. of the definition of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

(15) Arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information. This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

**B.** Subparagraph 1.r. of Section B. **Exclusions** is deleted and replaced with the following:

**r. Employment-Related Practices**

"Personal and advertising injury" to:

(1) A person arising out of any "employment-related practices"; or

- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any "employment-related practices" are directed.

This exclusion applies:

- (a) Whether the injury-causing event described in the definition of "employment-related practices" occurs before employment, during employment or after employment of that person;
  - (b) Whether the insured may be liable as an employer or in any other capacity; and
  - (c) To any obligation to share damages with or repay someone else who must pay damages because of the injury.
- C. Subparagraph 1.q. "Electronic Data" of Section B. **Exclusions** is deleted and replaced with the following:
- q. **Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**
- (1) Damages, other than damages because of "personal and advertising injury", arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
  - (2) Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

- D. Sub-subparagraph 7.b.(1) Other Insurance of Section E. **Liability and Medical Expenses General Conditions** is deleted and replaced with the following:

b. **Excess Insurance**

(1) **Your Work**

That is Fire, Extended Coverage, Builder's Risk, Installation Risk, Owner Controlled Insurance Program or OCIP, Wrap Up Insurance or similar coverage for "your work".

- E. Subparagraph 17. c. "Personal and Advertising Injury" of Section G, **Liability and Medical Expenses Definitions** is deleted and replaced with the following:

"Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person or organization occupies, committed by or on behalf of its owner, landlord or lessor;

- F. Subparagraph 17.h. of Section G, **Liability and Medical Expenses Definitions** deleted.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SPECIAL PROPERTY COVERAGE AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **SPECIAL PROPERTY COVERAGE FORM**

**I. The following provisions modify the Special Property Coverage Form.**

**A. Property Definitions**

"Data" G.4. is deleted and replaced with the following.

4. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a "computer" or device connected to it, which enable the "computer" or device to receive, process, store, retrieve or send data.

**B. Exclusions**

1. **Earth Movement B.1.a** is amended to add the following:  
This Exclusion applies regardless of whether any of the following is caused by weather, an act of nature, by an artificial, man-made or other cause.
2. The following is added to **Exclusions B.1**:
- h. **Electronic Vandalism or Corruption of "Electronic Data" or Corruption of "Computer Equipment"**  
This exclusion does not apply if SS 14 29 Electronic Vandalism or SS 40 08 Electronic Vandalism has been made part of this policy.

Electronic Vandalism or Corruption of "Electronic Data" or Corruption of "Computer Equipment" which means:

- (1) A virus, malicious code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation.
- (2) Unauthorized viewing, copying or use of electronic data (or any proprietary or confidential information or intellectual property in any form) by any person, even if such activity is characterized as "theft";
- (3) Errors or omissions in programming or processing "electronic data";
- (4) Errors or deficiency in design, installation, maintenance, repair or modification of your computer system or any computer system or network to which your system is connected or on which your system depends (including "electronic data");
- (5) Manipulation of your computer system, including "electronic data", by an employee, volunteer worker or contractor, for the purpose of diverting or destroying "electronic data" or causing fraudulent or illegal transfer of any property;

- (6) Interruption in normal computer function or network service or function due to insufficient capacity to process transactions or to an overload of activity on the system or network;
- (7) Unexplained or indeterminable failure, malfunction or slowdown of a computer system, including "electronic data" and the inability to access or properly manipulate the "electronic data";
- (8) Complete or substantial failure, disablement or shutdown of the Internet, regardless of the cause;
- (9) The inability of a computer system to correctly recognize, process, distinguish, interpret or accept one or more dates or times.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**BUSINESS LIABILITY COVERAGE FORM  
AMENDATORY ENDORSEMENT-  
SUPPLEMENTARY PAYMENTS**

This endorsement modifies insurance provided under the following:

**BUSINESS LIABILITY COVERAGE FORM**

A. Sub-subparagraph 3.a.(5) of Paragraph 3., Section A. **Coverages** is deleted and replaced with the following:

**3. Coverage Extension - Supplementary Payments:**

- a. (5) All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MASSACHUSETTS CHANGES**

This endorsement modifies insurance provided under the following:

**COMMON POLICY CONDITIONS  
STANDARD PROPERTY COVERAGE FORM  
SPECIAL PROPERTY COVERAGE FORM  
BUSINESS LIABILITY COVERAGE FORM  
LIQUOR LIABILITY INSURANCE  
LIMITED FUNGI, BACTERIA OR VIRUS COVERAGE  
ORDINANCE OR LAW COVERAGE  
ORDINANCE OR LAW COVERAGE (INCLUDING EARTHQUAKE)  
ORDINANCE OR LAW COVERAGE - BROAD FORM  
MORTGAGEHOLDER'S ERRORS AND OMISSIONS COVERAGE FORM**

**I. Provision A. modifies the COMMON POLICY CONDITIONS:**

- A.** The following paragraph is added and supersedes any provisions to the contrary:

**Nonrenewal**

This provision applies to coverage on real property which is used predominantly for residential purposes and consists of not more than four dwelling units, and to coverage on personal property of a person residing in such real property.

1. Ordinarily we will renew this policy automatically and send you the renewal notice. Our notice will explain what you should do if you do not want to continue this policy.
2. We may elect not to renew this policy. We may do so by delivering to you or mailing to you at your last mailing address shown in the Declarations, written notice of nonrenewal, accompanied by the specific reasons for nonrenewal, at least 45 days before the expiration date of this policy. However, if your policy was executed on behalf of us, in whole or in part, by or on behalf of your insurance agent or our insurance broker, we will send such written notice only to the agent or broker. Every insurance agent or broker receiving this notice is required by law to, within 15 days of its receipt, send a copy to you unless the agent or broker has replaced the insurance.

**II. Provisions B. through E. modify the STANDARD and SPECIAL PROPERTY COVERAGE FORMS:**

- B.** Subparagraph d.(1)(b) in E.5. Loss Payment is deleted and replaced by the following:

(b) We will not pay on a replacement cost basis for any loss or damage:

(i) Until the lost or damaged property is actually repaired or replaced:

- i. On the described premises; or
- ii. At some other location in the Commonwealth of Massachusetts; and

(ii) Unless the repairs or replacement are made within a reasonable time, but no more than 2 years after the loss or damage.

- C.** The following provisions are added to paragraph E.5. Loss Payment:

1. In spite of any provision of any general or special law:

a. We will not pay for loss or damage to real property caused by any Covered Cause of Loss if the amount of loss is \$5,000 or more unless you first submit to us a certificate of municipal liens from the collector of taxes of the city or town where the property is located.



- b. We will pay to the city or town any amount outstanding on the certificate of municipal liens arising from the provisions of Massachusetts General Law Chapters 40, 59, 60, 80, 83 and 164, Sections 58B through 58F.

The payment will not exceed the amount of loss payable under this policy.

We will send you and the mortgage holder proof of our payment to the city or town.

- c. The claim of the city or town will have priority over the claim of any mortgage holder, assignee, you or any other interested party, except where otherwise provided by the laws of the United States.

- d. We will not be liable to any city, town, mortgage holder, assignee, you or any other interested party for:

- (1) Amounts paid to a city or town; or
- (2) Amounts not paid to a city or town based upon a certificate showing that no municipal liens exist.

- e. Paragraphs 1.a., 1.b., 1.c., and 1.d. above will not apply to any owner-occupied one-to-four-family dwelling if the owner of the dwelling lived there when the claim for loss or damage arose.

2. a. We will not pay any claim for:

- (1) Loss, damage or destruction of \$1,000 or more to a building or structure; or

- (2) Loss, damage or destruction, of any amount, that causes a building or structure to become:

- (a) Dangerous to life or limb; or
- (b) Unused, uninhabited or abandoned and open to the weather;

as provided under Massachusetts General Law, Section 6 of Chapter 143;

without giving at least 10 days' written notice before such payment to:

- (a) The Building Commissioner or the appointed Inspector of Buildings; and
- (b) The Board of Health or the Board of Selectmen of the city or town where the property is located.

- b. If at any time before our payment, the city or town notifies us by certified mail of its intent to begin proceedings designed to perfect a lien under Massachusetts General Law:

(1) Chapter 143, Section 3A or 9; or

(2) Chapter 111, Section 127B;

we will not pay while the proceedings are pending. The proceedings must be started within 30 days after we receive the notice.

Any lien perfected under the Massachusetts General Laws referred to in b.(1) and b.(2) above will extend to the city or town and may be enforced by it against the proceeds of this policy.

- c. We will not be to any city, town, mortgage holder, assignee, you or any other interested party for:

- (1) Amounts paid to a city or town; or
- (2) Amounts not paid to a city or town; under provisions 2.a. and 2.b above.

- D. If loss or damage is caused by fire or lightning, paragraph E.8. **Vacancy** is deleted and replaced by the following:

**8. Vacancy or Unoccupancy**

If the building where loss or damage occurs, whether intended for occupancy by owner or tenant, has been vacant or unoccupied for more than:

- a. 60 consecutive days for residential premises of 3 units or less; or
- b. 30 consecutive days for all other premises;

immediately before that loss or damage, we will not pay for the loss or damage.

A building is vacant when it does not contain enough business property to conduct customary "operations".

- E. The **Mortgage Holders, PROPERTY GENERAL CONDITION** is deleted and replaced by the following:

**2. Mortgage Holders**

We will pay for covered loss of or damage to real estate to each mortgage holder shown in the Declarations, or in an attached schedule, in the order of precedence, as interests may appear.

III. Provision F. modifies the **STANDARD and SPECIAL PROPERTY COVERAGE FORMS, ORDINANCE OR LAW COVERAGE FORM, ORDINANCE OR LAW COVERAGE (INCLUDING EARTHQUAKE) FORM, ORDINANCE OR LAW COVERAGE - BROAD FORM, MORTGAGEHOLDER'S ERRORS AND OMISSIONS COVERAGE FORM, AND LIMITED FUNGI, BACTERIA OR VIRUS COVERAGE FORM:**

F. The term virus is deleted from any provision which uses the following term:

"Fungi", bacteria or virus; or

"Fungi", bacteria, dry rot, wet rot or virus.

IV. Provision G. and H. modifies the **BUSINESS LIABILITY COVERAGE FORM:**

G. The following additional provisions apply to "bodily injury" and "property damage" arising out of the ownership, maintenance, entrustment to others, use, "loading or unloading" of any "mobile equipment" for which insurance is required of you under the Massachusetts Compulsory Liability Security Act:

1. Except to the extent provided in paragraph 2. below, this policy does not apply either on a primary or excess basis to "bodily injury" or "property damage" for which insurance is afforded (regardless of amount) under any liability coverage (compulsory or optional) of a Massachusetts Motor Vehicle Policy issued to you.
2. If the only liability insurance applicable with respect to "bodily injury" or "property damage" under a Motor Vehicle Policy is under the compulsory coverage, the "bodily injury" or "property damage" liability coverage under this policy shall apply in excess of that insurance, but only with respect to "bodily injury" or "property damage" arising out of the operation or use of the "mobile equipment" other than solely for the purposes of transportation or locomotion.

H. The "leased worker" definition in Section G., **LIABILITY AND MEDICAL EXPENSES DEFINITIONS** does not apply.

V. Provision I. J. and K. modifies the **LIQUOR LIABILITY INSURANCE:**

I. Paragraph 2. of the **Cancellation, COMMON POLICY CONDITIONS** is replaced by the following:

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

(1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

However, if this policy has been in effect for 60 days or more, we may cancel this policy by giving the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation. The notice requirement does not apply to cancellation due to:

(1) Nonpayment of premium; or

(2) The first Named Insured's loss of license.

J. If this policy has been issued pursuant to section 64A, 64B or 67 of Mass. Gen. Law Ann., Chapter 138, we may cancel this policy for nonpayment of premium by giving the first Named Insured written notice of at least 30 days before the effective date of cancellation.

K. The following is added and supersedes any other provision to the contrary:

**Nonrenewal**

If we decide not to renew this policy, we may do so by giving the first Named Insured written notice of our intent not to renew at least 60 days before the expiration of the policy. The notice requirement does not apply to nonrenewal due to:

(1) Nonpayment of premium; or

(2) The first Named Insured's loss of license.

L. The following is added to the **STANDARD** or **SPECIAL PROPERTY COVERAGE FORM**:

### **STANDARD FIRE POLICY PROVISIONS**

Your policy contains **LEGAL ACTION AGAINST US, APPRAISAL** and **CANCELLATION** provisions. Massachusetts law requires that the Suit, Appraisal and Cancellation provisions of the Massachusetts Standard Fire Policy supersede any similar provisions contained in your policy. Therefore, all **LEGAL ACTION AGAINST US, APPRAISAL** and **CANCELLATION** provisions, contained in your policy are void. The Suit, Appraisal and Cancellation provisions of the Massachusetts Standard Fire Policy shall apply instead.

In consideration of the Provisions and Stipulations Herein or Added Hereto and of the Premium Specified in the Declarations, this company, for the term of years specified in the Declarations from inception date (At 12:01 A.M. Standard Time) to expiration date (At 12:01 A.M. Standard Time) at location of property involved, to an amount not exceeding the amount(s) specified in the Declarations, does insure the Insured named in the Declarations and legal representatives, to the extent of the actual cash value of the property at the time of loss, but in no event for more than the interest of the insured, against all **LOSS BY FIRE, LIGHTNING AND BY REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED**, to the property described in the Declarations while located or contained as described in this policy or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

Assignment of this policy shall not be valid except with the written consent of this Company.

This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made a part of this policy together with such other provisions, stipulations and agreements as may be added hereto, as provided in this policy.

**Concealment  
Fraud**

This entire policy shall be void if, whether before or after a loss, the insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.

**Uninsurable  
And Excepted  
Property**

This policy shall not cover accounts, bills, currency, deeds, evidences of debt, money or securities; nor, unless specifically named hereon in writing, bullion or manuscripts.

**Perils Not  
Included**

This Company shall not be liable for loss by fire or other perils insured against in this policy caused directly or indirectly, by (a) enemy attack by armed forces, including action taken by military, naval or air forces in resisting an actual or an immediately impending enemy attack; (b) invasion; (c) insurrection; (d) rebellion; (e) revolution; (f) civil war; (g) usurped power; (h) order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided that such fire did not originate from any of the perils excluded by this policy; (i) neglect of the insured to use all reasonable means to save and preserve the property at and after a loss, or when the property is endangered by fire in the neighboring premises; (j) nor shall this company be liable for loss by theft.

**Other  
Insurance**

Other insurance may be prohibited or the amount of insurance may be limited by endorsement attached hereto.

**Conditions  
Sustaining Or  
Restricting  
Insurance**

Unless otherwise provided in writing added hereto this company shall not be liable for loss occurring (a) while the hazard is increased by any means within the control or knowledge of the insured; or (b) while the described premises, whether intended for occupancy by owner or tenant, are vacant or unoccupied beyond a period of sixty consecutive days, for residential premises of three units or less and thirty (30) consecutive days for all other premises, or (c) as a result of explosion or riot, unless fire ensues, and in that event for loss by fire only.

**Other Perils  
Or Subjects**

Any other peril to be insured against or subject of insurance to be covered in this policy shall be by endorsement in writing hereon or added hereto.

**Added  
Provisions**

The extent of the application of insurance under this policy and of the contribution to be made by this company in case of loss, and any other provision or agreement not inconsistent with the provisions of this policy, may be provided for in writing added hereto, but no provision may be waived except such as by the terms of this policy is subject to change.

**Waiver  
Provisions**

No permission affecting this insurance shall exist, or waiver of any provision be valid, unless granted herein or expressed in writing added hereto. No provision, stipulation or forfeiture shall be held to be waived by any requirement or proceeding on the part of this company relating to appraisal or to any examination provided for herein.

**Cancellation  
Of Policy**

This policy shall be cancelled at any time at the request of the insured, in which case this company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. This policy may be cancelled at any time by this company by giving to the insured a five days written notice of cancellation, and to the mortgagee to whom this policy is payable twenty days written notice of cancellation except where the stated reason for cancellation is non-payment of premium where, in such instance, this policy may be cancelled at any time by this company by giving to the insured a ten days written notice of cancellation, and the mortgagee a twenty days written notice of cancellation, with or without tender of the excess paid premium above the pro rata premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall state that said excess premium (if not tendered) will be refunded on demand and shall state or be accompanied by a statement of the specific reason or reasons for such cancellation. After this policy has been in effect for sixty days, or after sixty days from any anniversary date, no notice of cancellation shall be effective unless it is based on the occurrence, after the effective date of the policy, of one or more of the following: (1) nonpayment of premium; (2) conviction of a crime arising out of acts increasing the hazard insured against; (3) discovery of fraud or material misrepresentation by the insured in obtaining the policy; (4) discovery of willful or reckless acts or omissions by the insured increasing the hazard insured against; (5) physical changes in the property insured which result in the property becoming uninsurable; or (6) a determination by the commissioner that continuation of the policy would violate or place the insurer in violation of the law. Where the stated reason is nonpayment of premium, the insured may continue the coverage and avoid the effect of the cancellation by payment at any time prior to the effective date of cancellation.

**Mortgagee  
Interests And  
Obligations**

Notwithstanding any other provisions of this policy, if this policy shall be made payable to a mortgagee of the covered real estate, no act or default of any person other than such mortgagee or his agent or those claiming under him, whether the same occurs before or during the term of this policy, shall render this policy void as to such mortgagee nor affect such mortgagee's right to recover in case of loss on such real estate; provided, that the mortgagee shall on demand pay according to the established scale of rate for any increase of risk not paid for by the insured; and whenever this company shall be liable to a mortgagee for any sum for loss under this policy for which no liability exists as to the mortgagor, or owner, and this company shall elect by itself, or with others, to pay the mortgagee the full amount secured by such mortgage, then the mortgagee shall assign and transfer to the company interested, upon such payment, the said mortgage together with the note and debt thereby secured.

**Pro Rata  
Liability.**

This company shall not be liable for a greater proportion of any loss than the amount hereby insured shall bear to the whole insurance covering the property against the peril involved.

**Requirements  
In Case Loss  
Occurs**

The insured shall give immediate written notice to this company of any loss, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, furnish a complete inventory of the destroyed and damaged property, showing in detail the quantity, description, actual cash value and amount of loss claimed; and the insured shall forthwith render to this company a signed, sworn statement in proof of loss which sets forth to the best knowledge and belief of the insured the following: the time and cause of the loss, the interest of the insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupancy, location, possession or exposures of said property, since the issuing of this policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss and whether or not it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all policies and detailed estimates for repair of the damage. The insured, as often as may be reasonably required, shall exhibit to any person designated by this company all that remains of any property herein described, and submit to examinations under oath by any person named by this company, and subscribe the same; and as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by this company or its representative, and shall permit extracts and copies thereof to be made.

**When Loss  
Payable**

In case of any loss or damage, the company within thirty days after the insured shall have submitted a statement, as provided in the preceding clause, shall either pay the amount for which it shall be liable, which amount if not agreed upon shall be ascertained by award of referees as hereinafter provided, or replace the property with other of the same kind and goodness, or it may, within fifteen days after such statement is submitted, notify the insured of its intention to rebuild or repair the premises, or any portion thereof separately covered by this policy, and shall thereupon enter upon said premises and proceed to rebuild or repair the same with reasonable expedition. It is moreover understood that there can be no abandonment of the property described to the company, and that the company shall

not in any case be liable for more than the sum insured, with interest thereon from the time when the loss shall become payable, as provided above. The company shall be liable for the payment of interest to the insured at a rate of one percent over the prime interest rate on the agreed figure commencing thirty days after the date an executed proof of loss for such figure is received by the company, said interest to continue so long as the claim remains unpaid.

**Appraisal**

In case of loss under this policy and a failure of the parties to agree as to the amount of loss, it is mutually agreed that the amount of such loss shall be referred to three disinterested men, the company and the insured each choosing one out of three persons to be named by the other, and the third being selected by the two so chosen, and the award in writing by a majority of the referees shall be conclusive and final upon the parties as to the amount of loss or damage, and such reference, unless waived by the parties, shall be a condition precedent to any right of action in law or equity to recover for such loss; but no person shall be chosen or act as a referee, against the objection of either party, who has acted in a like capacity within four months.

**Suit**

No suit or action against this company for the recovery of any claim by virtue of this policy shall be sustained in any court of law or equity in this commonwealth unless commenced within two years from the time the loss occurred; provided, however, that if, within said two years, in accordance with the provisions of the preceding paragraph, the amount of the loss shall have been referred to arbitration after failure of the parties to agree thereon, the limitation of time for bringing such suit or action shall in no event be less than ninety days after a valid award has been made upon such reference or after such reference or award has been expressly waived by the parties. If suit or action upon this policy is enjoined or abated, suit or action may be commenced at any time within one year after the dissolution of such injunction, or the abatement of such suit or action, to the same extent as would be possible if there was no limitation of time provided herein for the bringing of such suit or action.

**Subrogation**

This company may require from the insured an assignment of all right of recovery against any party for loss to the extent that payment therefore is made by this company.

POLICY NUMBER: 08 SBA IX2219



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## UNMANNED AIRCRAFT - LIABILITY ENDORSEMENT

This endorsement modifies insurance provided under the following:

### BUSINESS LIABILITY COVERAGE FORM

#### SCHEDULE

- |                          |   |
|--------------------------|---|
| <input type="checkbox"/> | <b>Option 1:</b> If an "X" is shown in this box, Bodily Injury and Property Damage coverage for Unmanned Aircraft applies and the Unmanned Aircraft Exclusion in Paragraph A.1.g.(1) of this endorsement does not apply.                            |
| <input type="checkbox"/> | <b>Option 2:</b> If an "X" is shown in this box, Personal And Advertising Injury coverage for Unmanned Aircraft applies and the Unmanned Aircraft - Personal And Advertising Injury Exclusion in Paragraph A.2. of this endorsement does not apply. |

Except as otherwise stated in this endorsement or the schedule above, the terms and conditions of the policy apply to the insurance stated below.

**A. The following changes are made to Section B.1., EXCLUSIONS:**

1. Paragraph g., **Aircraft, Auto or Watercraft**, is deleted and replaced with the following:

**g. Aircraft, Auto or Watercraft**

**(1) Unmanned Aircraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This Paragraph g.(1) applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

**(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft

owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This Paragraph g.(2) applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

Paragraph g. (2) does not apply to:

- (a) A watercraft while ashore on premises you own or rent;
- (b) A watercraft you do not own that is:
  - (i) Less than 51 feet long; and
  - (ii) Not being used to carry persons for a charge;
- (c) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (d) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;

(e) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Section G Liability and Medical Expenses Definitions, Paragraph 15 f. (2) or f. (3) of the definition of "mobile equipment"; or

(f) An aircraft (other than unmanned aircraft) that is not owned by any insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis.

2. The following is added to Section B. **EXCLUSIONS** Paragraph p., **Personal and Advertising Injury**:

**Unmanned Aircraft - Personal and Advertising Injury**

Arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the "personal and advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

However, this exclusion does not apply if the only allegation in the claim or "suit" involves an intellectual property right which is limited to:

- (a) Infringement, in your "advertisement", of:
  - (i) Copyright;
  - (ii) Slogan; or
  - (iii) Title of any literary or artistic work; or
- (b) Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement".

**B. The following changes apply to Section G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS:**

1. The following definition is added:

"Unmanned aircraft" means an aircraft that is not:

- a. Designed;
- b. Manufactured; or
- c. Modified after manufacture

to be controlled directly by a person from within or on the aircraft.





**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LIQUOR LIABILITY COVERAGE**

If shown in the Declarations as applicable, the following coverage applies.

Various provisions in this coverage part restrict coverage. Read the entire coverage part carefully to determine rights, duties and what is and is not covered.

Throughout this coverage part the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as Named Insured under this coverage part. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section III - Who Is An Insured.

Other words and phrases that appear in quotation have special meaning. Refer to Section VI - Definitions.

### **SECTION I - LIQUOR LIABILITY COVERAGE**

#### **1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "injury" to which this insurance applies if liability for such "injury" is imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage. We will have the right and duty to defend any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "injury" to which this insurance does not apply. We may at our discretion investigate any "injury" and settle any claim or "suit" that may result. But:
  - (1) The amount we will pay for damages is limited as described in in Section IV - Limits of Insurance; and
  - (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided under paragraph 2. Coverage Extension - Supplementary Payments.

- b. This insurance applies to an "injury" only if:
  - (1) The "injury" occurs during the policy period in the "coverage territory"; and
  - (2) Prior to the policy period, no insured identified in Paragraph 1. of Section III. - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "injury" or claim, knew that the "injury" had occurred, in whole or in part. If such insured or authorized "employee" knew prior to the policy period, that the "injury" occurred, then any continuation, change or resumption of such "injury" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Injury" which occurs during the policy period and was not, prior to the policy period, known to have occurred by an insured listed under Paragraph 1. of Section III - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "injury" or claim, includes any continuation, change or resumption of that "injury" after the end of the policy period.
- d. "Injury" will be deemed to have been known to have occurred at the earliest time when any insured identified in Paragraph 1. of Section III - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "injury" or claim:
  - (1) Reports all, or any part, of the "injury" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the "injury"; or

- (3) Becomes aware by any other means that "injury" has occurred or has begun to occur.

## **2. Coverage Extension - Supplementary Payments**

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$250 a day because of time off from work.
- d. All costs taxed against the insured in the "suit." However, these payments do not include attorney's fees or attorney's expenses taxed against the insured.
- e. Pre-judgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any pre-judgment interest based on that period of time after the offer.
- f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
- g. Expenses incurred by the insured for first aid administered to others at the time of an event to which this insurance applies.

These payments will not reduce the limits of insurance.

## **SECTION II - EXCLUSIONS**

This insurance does not apply to:

### **1. Expected or Intended Injury**

"Injury" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### **2. Workers' Compensation, Unemployment Compensation, And Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### **3. Employer's Liability**

"Bodily injury" to:

- a. An "employee" of the insured arising out of and in the course of:
  - (1) Employment by the insured; or
  - (2) Performing duties related to the conduct of the insured's business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of a. above.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the "injury."

### **4. Liquor License Not in Effect**

"Injury" arising out of any alcoholic beverage sold, served or furnished while any required license is not in effect.

### **5. Your Product**

"Injury" arising out of "your product." This exclusion does not apply to "injury" for which the insured or the insured's indemnitees may be held liable by reason of:

- a. Causing or contributing to the intoxication of any person;
- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

### **6. Other Insurance**

Any "injury" for which other insurance is available, or would be available but for the exhaustion of the limits of insurance. This exclusion does not apply if the other insurance responds to liability for "injury" imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage.

**7. War**

"Injury", however caused, arising directly or indirectly out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by a government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**SECTION III - WHO IS AN INSURED****1. If you are designated in the Declarations as:**

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

**2. Each of the following is also an insured:**

- a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), , but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.. However, none of these "employees" is an insured for:

**(1) "Injury"**

- (a) To you, to your partners or members (if you are a partnership

or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;

- (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph a.(1) above; or

- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the "injury" described in Paragraphs a.(1) or (2) above.

**(2) "Property damage" to property**

- (a) Owned or occupied by; or

- (b) Rented or loaned

to that "employee", any of your other "employees", by any of your partners or members (if you are a partnership or joint venture), or by any of your members (if you are a limited liability company).

- b. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and

- (2) Until your legal representative has been appointed.

- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Liquor Liability Insurance.

**3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:**

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and

- b. Coverage does not apply to "injury" that occurred before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

#### **SECTION IV - LIMITS OF INSURANCE**

1. The Limits of Insurance shown in the Declarations for Liquor Liability Optional Coverage and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits."
2. The Aggregate Limit is the most we will pay for all "injuries" as the result of the selling, serving or furnishing of alcoholic beverages.
3. Subject to the Aggregate Limit, the Each Common Cause limit is the most we will pay for all "injury" sustained by one or more persons or organizations as the result of the selling, serving or furnishing of any alcoholic beverage to any one person.

The limits of this insurance apply separately to each consecutive annual policy period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

#### **SECTION V - LIQUOR LIABILITY CONDITIONS**

##### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this coverage part.

##### **2. Duties In The Event Of Injury, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "injury" which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "injury" took place; and
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any "injury".
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and

- (2) Notify us as soon as practicable.

You must see to it that we receive a written notice of the claim or "suit" as soon as practicable.

##### **c. You and any other involved insured must:**

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of "injury" or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

##### **3. Legal Action Against Us**

No person or organization has a right under this insurance:

- a. To join us as a party or otherwise bring us into "suit" asking for damages from an insured; or
- b. To sue us under this coverage part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this coverage part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

##### **4. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under this coverage part, our obligations, if any, are limited as follows:

##### **a. Primary Insurance**

This insurance is primary. Our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method describe in b. below.

**b. Method of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance of none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**5. Representations**

By accepting this coverage part, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this coverage part in reliance upon your representations.

**6. Separation of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

**7. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this coverage part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

**SECTION VI - DEFINITIONS****1. "Bodily injury" means physical:**

- a. Injury;
  - b. Sickness; or
  - c. Disease
- sustained by a person and, if arising out of the above, mental anguish or death, at any time.

**2. "Coverage territory" means:**

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

- b. International waters or airspace, but only if the "injury" occurs in the course of travel or transportation to or from any place not included in a. above; or

**c. All parts of the world if the "injury" arises out of:**

- (1) Goods or products sold by you in the territory described in a. above; or
- (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

3. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
4. "Executive Officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
5. "Injury" means damages because of "bodily injury" and "property damage," including damages for care, loss of service or loss of support.
6. "Leased Worker" means a person leased to you buy a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
7. "Property damage" means:
  - a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of physical injury that caused it; or
  - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the occurrence that caused it.
8. "Suit" means a civil proceeding in which damages because of "injury" to which this insurance applies are alleged. "Suit" includes:
  - a. An arbitration proceeding in which such damages are claimed and to which you must submit with our consent; or





**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **RESTAURANT STRETCH**

This endorsement modifies insurance provided under the following:

### **STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM**

Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

**A.** The following changes apply to the Standard Property Coverage Form, Additional Coverages, **A.4.**, or to the Special Property Coverage Form, Additional Coverages, **A.5.**:

#### **1. Accounts Receivable**

The following Additional Coverage is added:

- a.** We will pay up to \$25,000 in any one occurrence as a Limit of Insurance to apply at each "scheduled premises" to cover direct physical loss of or physical damage to your records of accounts receivable. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.
- b.** We will pay up to \$25,000 in any one occurrence as a Limit of Insurance to cover direct physical loss of or physical damage to your records of accounts receivable that are not located at the "scheduled premises" or in transit. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of the Accounts Receivable Coverage, Form SS 04 39, with the exception of the Limit of Insurance provision contained in that form. Accounts Receivable Coverage, Form SS 04 39 is made a part of this policy whether or not Accounts Receivable coverage is indicated in the Declarations.

#### **2. Brands and Labels**

The following Additional Coverage is added:

In the event of covered physical loss or physical damage to merchandise that is branded or

labeled, we will take all or part of the physically damaged property at an agreed or appraised value and we will pay for:

**a.** Expenses you incur to:

- (1)** Stamp salvage on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (2)** Remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise and its containers to comply with the law.

**b.** Any reduction in the salvage value of the physically damaged merchandise as the result of the removal of the brand or label.

This Additional Coverage is included within the Business Personal Property Limit of Insurance.

#### **3. Claim Expenses**

The following Additional Coverage is added:

In the event of covered loss or physical damage we will pay up to \$10,000 in any one occurrence as an additional Limit of Insurance to cover reasonable expenses incurred by you at our specific request to assist us in:

- a.** The investigation of a claim or suit; or
- b.** The determination of the amount of loss, such as taking inventory, or auditing business records.

#### **4. Computer Fraud**

The following Additional Coverage is added:

We will pay up to \$5,000 in any one occurrence for physical loss of or physical damage to "money", "securities", and other property having intrinsic value resulting directly from computer fraud. Computer fraud means any act of stealing property following and directly related to the use of any computer to fraudulently cause a

transfer of that property from inside your premises or from a banking institution or similar safe depository, to a person (other than a "messenger") outside those premises or to a place outside those premises.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

#### **5. Computers and Media**

The following Additional Coverage is added:

We will pay up to \$25,000 in any one occurrence as a Limit of Insurance to apply anywhere in the Coverage Territory to cover direct physical loss of or physical damage to your computer systems. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of Computers and Media, Form SS 04 41, with the exception of the Limit of Insurance provision contained in that form. Computers and Media, Form SS 04 41 is made a part of this policy whether or not Computers and Media coverage is indicated in the Declarations.

#### **6. Debris Removal**

The following Additional Coverage is added:

In Limits of Insurance, **C.4.b.**, the additional limit of insurance for the Debris Removal Additional Coverage is increased to \$25,000 in any one occurrence.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

#### **7. Employee Dishonesty (including ERISA)**

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance to cover loss from employee dishonesty. This includes ERISA coverage. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of the Employee Dishonesty Coverage, Form SS 04 42, with the exception of the Limit of Insurance provision contained in that form. Employee Dishonesty Coverage, Form SS 04 42 is made a part of this policy whether or not Employee Dishonesty Coverage is indicated in the Declarations.

#### **8. Fine Arts**

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance at each "scheduled premises" to apply to Fine Arts. This Limit of

Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of Fine Arts Coverage Form, Form SS 04 22, with the exception of the following:

- a. The requirement contained under Paragraph **A.1.**, Under A. Coverage, to list and describe Fine Arts in the Declarations or Schedule is deleted when Fine Arts are covered under this Stretch endorsement; and
- b. The Limit of Insurance provision does not apply.
- c. Paragraph **D.1.** Valuation is deleted and replaced by the following:

The value of Fine Arts will be the market value at the time of physical loss or physical damage.

Fine Arts Coverage, Form SS 04 22 is made a part of this policy whether or not Fine Arts Coverage is indicated in the Declarations.

#### **9. Forgery**

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance to cover loss from forgery of covered instruments, money orders, credit cards, and counterfeit money.

This Additional Coverage is subject to the provisions of Forgery Coverage, Form SS 04 86, with the exception of the Limit of Insurance provision contained in that form. Forgery Coverage, Form SS 04 86 is made a part of this policy, whether or not Forgery Coverage is indicated in the Declarations.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

#### **10. Laptop Computers - Worldwide Coverage**

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance to apply to laptop, palmtop, personal digital assistants (PDAs), and similar portable computer equipment and accessories anywhere in the world, including while in transit. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

**Limitation:** We will not pay for direct physical loss or physical damage caused by, resulting from, or arising out of the theft of this property while in transit as checked baggage.

This Additional Coverage is subject to the provisions of Computers and Media, Form



SS 04 41, with the exception of the Limit of Insurance provision contained in that form. Computers and Media, Form SS 04 41 is made a part of this policy whether or not Computers and Media coverage is indicated in the Declarations.

#### **11. Lost Keys**

The following Additional Coverage is added:

We will pay up to \$2,500 in any one occurrence as an additional amount of insurance to cover the loss of your keys used to secure the "scheduled premises" due to theft.

We will not pay more than the least of the following:

- a. Re-key the locks,
- b. Install new lock cylinders,
- c. Provide new master keys, or
- d. Replace existing locks with new locks of like kind and quality.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

#### **12. Off-Premises Utility Services - Direct Damage**

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance to apply at each "scheduled premises" to cover direct physical loss or physical damage to Covered Property caused by the interruption of utility services. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of Off-Premises Utility Services - Direct Damage, Form SS 40 18, with the exception of the Utility Services Limit of Insurance contained in that form. Off-Premises Utility Services - Direct Damage, Form SS 40 18 is made a part of this policy, whether or not Off-Premises Utility Services - Direct Damage coverage is indicated in the Declarations.

#### **13. Outdoor Signs**

The following Additional Coverage is added and supersedes any other coverage for signs in this policy:

We will pay up to full value of outdoor signs at each "scheduled premises" to cover direct physical loss of or physical damage to outdoor signs.

This Additional Coverage is subject to the provisions of Outdoor Signs, Form SS 04 44, with the exception of the Limit of Insurance provision and paragraph E. of that form. Outdoor Signs, Form SS 04 44 is made a part of this policy whether or not Outdoor Signs coverage is indicated in the Declarations.

This Additional Coverage is in addition to any recoverable Limits of Insurance applicable to Building or Business Personal Property.

#### **14. Pairs or Sets**

The following Additional Coverage is added:

If pairs or sets of stock are damaged by a Covered Cause of Loss, we will pay any reduction in value of the undamaged parts of such damaged pairs or sets.

As used in this Additional Coverage, the term stock means merchandise held in storage or for sale, raw materials, and goods in-process or finished.

This coverage is included within the Business Personal Property Limit of Insurance.

#### **15. Personal Property of Others**

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance at each "scheduled premises" to apply to personal property of others that is in your care, custody or control. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of Personal Property of Others, Form SS 04 45, with the exception of the statement concerning Limit of Insurance applicable to Personal Property of Others shown in the Declarations, contained in that form. Personal Property of Others, Form SS 04 45 is made a part of this policy whether or not Personal Property of Others coverage is indicated in the Declarations.

#### **16. Property at Other Premises**

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence to extend coverage for Business Personal Property at any premises not described in the Declarations.

This includes property that you have sold under an installation agreement and for which your responsibility continues until the property is accepted by the customer.

This Extension does not apply to:

- a. Property in the care, custody or control of your salespersons;
- b. Property at any fair or exhibition;
- c. Property in transit; or
- d. Property temporarily stored at any premises not described in the Declarations.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

**17. Salespersons' Samples**

The following Additional Coverage is added:

We will pay up to \$1,000 in any one occurrence as an additional Limit of Insurance to extend Business Personal Property to cover:

- a. Samples of your stock in trade (including containers); and
  - b. Similar property of others;
- but only while such property is in:
- a. Your custody while you are acting as a sales representative; or
  - b. The custody of your sales representative or agents.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

**18. Sewer and Drain Back Up**

The following Additional Coverage is added:

We will pay for direct physical loss or physical damage to Covered Property solely caused by water that backs up from a sewer or drain.

This coverage is included within the Covered Property Limits of Insurance.

**THIS IS NOT FLOOD INSURANCE**

We will not pay for water or other materials that back up from any sewer or drain when it is caused by any flood. This applies regardless of the proximity of the flood to Covered Property. Flood includes the accumulation of surface water, waves, tides, tidal waves, overflow of streams or other bodies of water, or their spray, all whether driven by wind or not that enters the sewer or drain system.

**19. Sump Overflow or Sump Pump Failure**

The following Additional Coverage is added:

The maximum we will pay in any one occurrence is \$15,000 for any loss, including Business Income or Extra Expense, resulting from physical loss or physical damage to Covered Property that is caused by or resulting from water that overflows due to the failure of a sump pump, sump pump well, or any other type of system designed to remove subsurface water from the foundation area if the failure is directly or indirectly the result of a Covered Cause of Loss. Failure means an abrupt cessation of normal functioning. This Limit of Insurance is the maximum we will pay regardless of any other coverage provided under this policy.

This Additional Coverage is subject to the terms and conditions of this policy with the exception of:

- a. Paragraph B.1.f., Power Failure, of the Standard Property Coverage Form and Paragraph B.1.d., Power Failure, of the Special Property Coverage Form; and
- b. Paragraph B.1.h.(4), Water, of the Standard Property Coverage Form and Paragraph B.1.f.(4), Water, of the Special Property Coverage Form.

**THIS IS NOT FLOOD INSURANCE**

We will not pay for water or other materials that overflow from a sump when the overflow is caused by any flood. This applies regardless of the proximity of the flood to Covered Property. Flood includes the accumulation of surface water, waves, tides, tidal waves, overflow of streams or other bodies of water, or their spray, all whether driven by wind or not that enters the sewer or drain system.

**20. Temperature Change**

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance to apply at each "scheduled premises" to cover direct physical loss of or physical damage to perishable stock caused by or resulting from a change of temperature or contamination by a refrigerant.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of the Temperature Change Coverage, Form SS 04 46, with the exception of the Limit of Insurance provision contained in that form. Temperature Change, Form SS 04 46 is made a part of this policy whether or not Temperature Change coverage is indicated in the Declarations.

**21. Tenant Building and Business Personal Property Coverage - Required by Lease**

The following Additional Coverage is added:

The maximum we will pay in any one occurrence is \$20,000 as a Limit of Insurance to apply to direct physical loss of or physical damage to Building and Business Personal Property for which you have a contractual responsibility to insure. This includes building fixtures, machinery and equipment.

**22. Transit Property in the Care of Carriers for Hire**

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance to apply to direct physical loss of or physical damage to property while in transit at your risk. This Limit of Insurance is in

addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of Transit Property in the Care of Carriers for Hire, Form SS 04 30, with the exception of the Limit of Insurance provision contained in that form. Transit Property in the Care of Carriers for Hire, Form SS 04 30 is made a part of this policy whether or not Transit Property in the Care of Carriers for Hire is indicated in the Declarations.

### **23. Unauthorized Business Card Use**

The following Additional Coverage is added:

The maximum we will pay in any one occurrence is \$2,500 as a Limit of Insurance to cover loss resulting from the theft or unauthorized use of your Business Credit, Debit or Charge Cards, including the reasonable legal expenses you incur.

The Business Credit, Debit or Charge Cards must be issued to you or registered in your name or the business name and be used solely for business purposes.

**Limitation.** We will not pay for the theft or unauthorized use of Business Credit, Debit or Charge Cards entrusted to others or your employees.

### **24. Valuable Papers and Records**

The following Additional Coverage is added:

- a. We will pay up to \$25,000 in any one occurrence as a Limit of Insurance to apply at each "scheduled premises" to cover direct physical loss of or physical damage to your valuable papers and records. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.
- b. We will pay up to \$25,000 in any one occurrence as a Limit of Insurance to cover direct physical loss of or physical damage to your valuable papers and records that are not located at the "scheduled premises" or in transit. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of the Valuable Papers and Records Coverage, Form SS 04 47, with the exception of the Limit of Insurance provision contained in that form. Valuable Papers and Records Coverage, Form SS 04 47 is made a part of this policy whether or not Valuable Papers and Records coverage is indicated in the Declarations.

**B.** The following changes apply to the Standard Property Coverage Form, Coverage Extensions, **A.5.**, or to the Special Property Coverage Form, Coverage Extensions, **A.6.** The Limits of Insurance stated in the paragraphs below replace the Limits of Insurance stated in the Standard Property Coverage Form or the Special Property Coverage Form for the coverages provided under this section. Except as otherwise stated, any other Limit of Insurance purchased under this policy as an option for the following coverages is in addition to the Limit of Insurance stated below:

#### **1. Newly Acquired or Constructed Property**

The following changes are made to Newly Acquired or Constructed Property:

##### **a. Building**

- (1) The most we will pay in any one occurrence in subparagraph (1) is increased from \$500,000 to \$1,000,000 at each premises.
- (2) The Limit of Insurance stated above is the maximum Limit of Insurance available for this coverage under this policy.

##### **b. Business Personal Property**

- (1) The most we will pay in any one occurrence in subparagraph (2) is increased from \$250,000 to \$500,000 at each premises.
- (2) The Limit of Insurance stated above is the maximum Limit of Insurance available for this coverage under this policy.

##### **c. Business Income and Extra Expense**

- (1) If Business Income or Extra Expense are provided under this policy, the most we will pay in any one occurrence in subparagraph (3) is increased from \$50,000 to \$500,000 in any one occurrence at each premises.
- (2) The Limit of Insurance stated above is the maximum Limit of Insurance available for this coverage under this policy.

#### **2. Outdoor Property**

In the Outdoor Property Coverage Extension, the most we will pay in any one occurrence is increased to \$20,000, but not more than \$1,000 for any one tree, shrub or plant.

#### **3. Personal Effects**

In the Personal Effects Coverage Extension, the most we will pay in any one occurrence is

increased from \$10,000 to \$25,000 at each "scheduled premises."

The Limit of Insurance stated above is the maximum Limit of Insurance available for this coverage under this policy.

#### **4. Property Off-Premises**

In the Personal Property Off-Premises Coverage Extension, the most we will pay in any one occurrence in subparagraph **A.6.h.(2)** is increased from \$2,500 to \$15,000.

- C.** The following changes apply only if Business Income and Extra Expenses are covered under this policy. These changes apply to the Standard Property Coverage Form, Additional Coverages, **A.4.**, or to the Special Property Coverage Form, Additional Coverages, **A.5.**:

##### **1. Business Income Extension for Off-Premises Utility Services**

The following Additional Coverage is added:

We will pay up to \$25,000 in any one occurrence as a Limit of Insurance to apply at each "scheduled premises" to cover loss of Business Income and Extra Expense caused by or resulting from the interruption of utility services. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of Business Income Extension for Off-Premises Utility Services, Form SS 04 19, with the exception of the Limit of Insurance provision contained in that form. Business Income Extension for Off-Premises Utility Services, Form SS 04 19 is made a part of this policy whether or not Business Income Extension for Off-Premises Utility Services coverage is indicated in the Declarations.

##### **2. Business Income Extension for Web Sites**

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance to cover loss of Business Income you sustain due to the necessary interruption of business operations caused by direct physical loss of or physical damage to your Web Site operation at the premises of a vendor acting as your service provider. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

Such interruption must be caused by or result from a Covered Cause of Loss.

##### **a. Coverage Time Period**

We will only pay for loss you sustain during the 7-day period immediately following the first 12 hours after the Covered Cause of Loss.

#### **b. Conditions**

This coverage applies only:

- (1) If you have a back-up copy of your Web Page stored at a location other than the site of the Web Site vendor.
- (2) To the extent that Business Income is permanently lost.

#### **3. Business Income from Dependent Properties**

The following Additional Coverage is added:

We will pay for the loss of your Business Income and Extra Expense due to direct physical damage at the premises of any dependent property caused by or resulting from a Covered Cause of Loss. The most we will pay under this endorsement for this coverage is \$50,000 regardless of the number of dependent properties involved in any one occurrence. This Limit of Insurance is in addition to any other Limit shown in the Declarations for specific Dependent Properties.

This additional coverage is subject to the provisions of Business Income from Dependent Properties, Form SS 04 78, with the exception of the Limit of Insurance provision contained in that form. Business Income from Dependent Properties, Form SS 04 78 is made a part of this policy whether or not Business Income from Dependent Properties coverage is indicated in the Declarations.

There is no requirement for Dependent Properties to be scheduled for the coverages provided by this Stretch endorsement to apply.

#### **4. Extended Business Income**

In the Extended Business Income Additional Coverage, paragraph **4.j.(1)(b)(ii)** of the Standard Property Coverage Form and paragraph **5.r.(1)(b)(ii)** of the Special Property Coverage Form are amended to read as follows:

- (b) 60 consecutive days after the date determined in (a) above.

#### **5. Food Contamination**

The following Additional Coverage is added:

We will pay the actual loss of Business Income and Extra Expense if your "operations" at any "scheduled premises" are ordered by a government authority to be suspended due to the discovery of or the suspicion of "food contamination".

This additional coverage is subject to the provisions of Food Contamination Coverage, Form SS 41 32, with the exception of Paragraph **C.**, Limit of Insurance, which is deleted and replaced by the following:

The most we will pay under this Additional Coverage, regardless of the number of occurrences or locations involved in any one order by a governmental authority is \$25,000. This Limit of Insurance is in addition to any other Limit shown in the Declarations for Food Contamination Coverage.

Food Contamination Coverage, Form SS 41 32 is made a part of this policy whether or not Food Contamination Coverage is indicated in the Declarations.

- D. The following Additional Coverage only applies if your policy is written with the Special Property Coverage Form.

**1. Money and Securities**

Paragraph A.5.i.(3) is deleted and replaced with the following:

- (3) The most we will pay for loss in any one occurrence is:

(a) \$10,000 for Inside the Premises for "money" and "securities" while:

- (i) In or on the "scheduled premises"; or
- (ii) Within a bank or financial institution; and

(b) \$10,000 for loss Outside the Premises for "money" and "securities" while anywhere else.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

- E. The following changes apply to Paragraph E.5.d., Loss Payment, of the Standard Property Coverage Form and the Special Property Coverage Form:

**1. Valuation Changes**

The following are added to the Loss Payment Property Loss Condition E.5.d.:

**(10)Commodity Stock**

We will determine the value of merchandise and raw materials that are bought and sold at an established market exchange. We will determine the value at:

- (a) The posted market price as of the time and place of loss;
- (b) Less discounts and expenses you otherwise would have had.

**(11)"Finished Stock"**

We will determine the value of goods that you have manufactured at the selling price less discounts and expenses you otherwise would have had.

**(12)Mercantile Stock - Sold**

We will determine the value of goods you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **BUSINESS INCOME EXTENSION FOR OFF-PREMISES UTILITY SERVICES**

This endorsement modifies insurance provided under the following:

### **SPECIAL PROPERTY COVERAGE FORM**

This insurance applies only when Business Income and Extra Expense is shown in the Declarations as applicable. Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

#### **A. BUSINESS INCOME EXTENSION FOR OFF-PREMISES UTILITY SERVICES**

This Coverage Extension applies only when the Business Income Additional Coverage is included in this policy.

We will pay for loss of Business Income or Extra Expense at the "scheduled premises" caused by the interruption of service to the "scheduled premises". The interruption must result from direct physical loss or physical damage by a Covered Cause of Loss to the following property not on "scheduled premises":

1. "Water Supply Services";
2. "Communication Supply Services"; or
3. "Power Supply Services".

#### **B. WAITING PERIOD**

We will only pay for loss you sustain after the first 12 consecutive hours following the direct physical loss of or physical damage to the off-premises property to which this endorsement applies. We will not pay for any reduction in business income or extra expense after electricity, steam or gas has been restored to the "scheduled premises".

#### **C. LIMIT OF INSURANCE**

The most we will pay in any one occurrence for loss under this extension is the limit of insurance shown in the Declarations at each "scheduled premises".

#### **D. ADDITIONAL DEFINITIONS**

1. "Water Supply Services", meaning the following types of property supplying water to the "scheduled premises":
  - a. Pumping stations; and
  - b. Water mains.
2. "Communication Supply Services", meaning property, including overhead transmission lines supplying communication services, including telephone, radio, microwave or television services, to the "scheduled premises", such as:
  - a. Communication transmission lines, including optic fiber transmission lines;
  - b. Coaxial cables; and
  - c. Microwave radio relays except satellites.
3. "Power Supply Services", meaning the following types of property supplying electricity, steam or gas, including overhead transmission lines to the "scheduled premises":
  - a. Utility generating plants;
  - b. Switching stations;
  - c. Substations;
  - d. Transformers; and
  - e. Transmission Lines.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FINE ARTS**

This endorsement modifies insurance provided under the following:

### **SPECIAL PROPERTY COVERAGE FORM**

This insurance applies only when the property is covered under the Special Property Coverage Form. Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

The following changes are made to the Special Property Coverage Form:

#### **A. Under A. Coverage:**

1. The following paragraph is added to 1. Covered Property:  
Fine Arts listed and described in the Declarations or Schedule which are:
  - a. Owned by you; or
  - b. Owned by others, and in your care, custody and control; and
  - c. Located at the "scheduled premises", or in transit to and from the "scheduled premises", or at your residence.
2. The following is added to Paragraph 2. **Property Not Covered** with respect to coverage afforded by this endorsement:  
Property on exhibition at fairgrounds or at any type of exposition, unless such locations are listed and described in the Declarations or Schedule.
3. The following special Limitation provision applies to property covered by this endorsement:  
Art glass windows, glassware, statuary, marbles, bric-a-brac, porcelains and other articles of fragile or brittle nature are covered against loss by breakage only if loss or damage is caused by "specified causes of loss."

4. Section **B. EXCLUSIONS** do not apply to coverage afforded under this endorsement, except for:

- (1) **Governmental Action;**
- (2) **Nuclear Hazard;** and
- (3) **War and Military Action.**

#### **5. Additional Exclusions**

We will not pay for physical loss or physical damage caused by or resulting from:

- a. Delay, loss of use, loss of market, or any other causes of consequential loss;
- b. Wear and tear, depreciation or obsolescence;
- c. Rust, corrosion, fungus, decay, deterioration, hidden or latent defect, or any quality in property that causes it to damage or destroy itself;
- d. Insects, birds, rodents or other animals.
- e. Dishonest acts by:
  - (1) You or any of your partners;
  - (2) Your directors or trustees;
  - (3) Your authorized representatives or employees; or
  - (4) Anyone, other than a carrier for hire, to whom you entrusted the Covered Property, including their employees, for any purpose:  
Whether acting alone or in collusion with others; and  
Whether or not occurring during the hours of employment.

- f. Voluntary parting with any property whether or not induced to do so by any fraudulent scheme, trick, device or false pretense.
- g. Unauthorized instructions to transfer property to any person or to any place.
- h. Theft from any unattended vehicle unless at the time of theft its windows, doors and compartments were closed and locked and there are visible signs that the theft was the result of forced entry.  
But this exclusion does not apply to property in the custody of a carrier for hire.
- i. Processing or work performed upon the property.

**B. Limits of Insurance**

Section C. LIMITS OF INSURANCE is replaced by the following:

The most we will pay for physical loss or physical damage in any one occurrence for property covered under this endorsement is the Limit of Insurance shown in the Declarations for "Fine Arts", but no more than \$25,000 for any one item of "Fine Arts".

**C. Deductible**

We will adjust loss in any one occurrence under this endorsement as a single loss. The only deductible amount that applies under this coverage is the larger of:

- 1. \$250; or
- 2. The amount shown in the Declarations as a deductible applicable to this coverage.

**D. Additional Conditions**

**1. Valuation**

The following is added to Section E. **PROPERTY LOSS CONDITIONS:**

The value of Covered Property will be the amount shown in the Declarations or Schedule for each item of Covered Property, which is agreed to be the value of the item.

**2. Pair or Set**

In case of total loss to an item of Covered Property which is part of a pair or set, we agree to pay you the full amount of the pair or set as shown in the Declarations or Schedule and you agree to surrender the remaining item(s) of the pair or set to us.

**3. Packing**

You agree that Covered Property will be packed and unpacked by competent packers.

**E. Additional Definition**

The following definition is added to Section H. **DEFINITIONS:**

"Fine Arts" meaning paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, and similar property of rarity, historical value or artistic merit.

**F. Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the Covered Property, subject to the Limit of Insurance.





**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TRANSIT COVERAGE – PROPERTY IN THE CARE OF CARRIERS FOR HIRE**

This endorsement modifies insurance provided under the following:

### **SPECIAL PROPERTY COVERAGE FORM**

Except as otherwise stated in this endorsement the terms and conditions of the policy and of the Special Property Coverage Form apply to the insurance stated below.

**A.** With respect to this Transit Coverage – Property in the Care of Carriers for Hire only, the following changes are made to the Special Property Coverage Form:

1. Under **A.4. Limitations**, subparagraph **c.(3)** which limits coverage for patterns, dies, molds and forms, is deleted.
2. Under **B. Exclusions**
  - a. Exclusions **1.a. (Earth Movement)** and **1.f. (Water)** do not apply to property in transit.
  - b. Exclusions **2.e. (Dishonesty)** and **2.g. (Exposed Property)** do not apply to property in custody of a carrier for hire.
  - c. Exclusion **2.f. (False Pretense)** does not apply to loss or damage caused by your good faith acceptance of false bills of lading or shipping receipts.
  - d. The following Exclusion is added:  
We will not pay for physical loss or physical damage caused by or resulting from poor or insufficient packaging or packing.

**B. Transit Coverage – Property in the Care of Carriers for Hire**

1. The insurance that applies to your Business Personal Property and Personal Property of Others is extended to apply to shipments of that property while in transit at your risk, by motor vehicle, railroad car or aircraft between points within the Coverage Territory. This includes property you have sold and for which your responsibility continues until it is delivered.

**2.** The Transit Coverage – Property in the Care of Carriers for Hire also applies to:

**a. Expenses to Inspect, Repackage and Reship Damaged Shipments**

The necessary additional expenses you incur to inspect, repackage and reship Covered Property which is physically damaged as a result of a Covered Cause of Loss.

**b. Expenses to Protect Covered Property from Spoilage or Change in Temperature**

The necessary additional expense you incur to temporarily store Covered Property in a temperature controlled environment in order to avoid or minimize physical loss or physical damage to such property from spoilage or change in temperature. Such temporary storage must be made necessary by the sudden and accidental breakdown of heating or refrigeration unit(s) on transporting conveyances.

This additional expense will not include:

- (1) Expenses to repair or replace heating or refrigeration unit(s);
- (2) Costs or penalties due to detention or delay of any vehicles, trailers, conveyances or containers; or
- (3) Costs for additional wages, room, board or meals.

**c. F.O.B. Shipments**

Outgoing shipments where the risk of physical loss or physical damage is transferred to the buyer when such property leaves your premises.

You must use all reasonable means to collect the amount due you from the buyer

before making a claim under this Transit Coverage. We will not make payment until you grant us the right of recovery against the buyer.

**d. Loading and Unloading**

Shipments during loading or unloading and within 500 feet of any transporting conveyance.

**e. Return Shipments**

Outgoing shipments which have been rejected by the consignee or are not deliverable, while:

- (1) In due course of transit, being returned to you; or
- (2) Up to 10 days after delivery or attempted delivery awaiting return shipment to you.

Payment under paragraphs a., b., c., d. and e. above will not increase the Transit Coverage Limit of Insurance.

**C. Under this Transit Coverage – Property in the Care of Carriers for Hire, we will not pay for:**

1. Property in the care, custody or control of your salespersons.
2. Mail shipments in the custody of the U.S. Postal Service.
3. Property of Others for which you are responsible as a:
  - a. Carrier for hire; or
  - b. Carloader, consolidator, broker, freight forwarder, shipping association, or other arranger of transportation.
4. Property in or on a motor vehicle you own, lease or operate.

**D. Limit of Insurance**

The Limit of Insurance shown in the Declarations for Transit Coverage – Property in the Care of Carriers for Hire is the most we will pay for all physical loss or physical damage in any one occurrence to property insured under this endorsement.

**E. Deductible**

We will not pay for physical loss or physical damage in any one occurrence until the amount of physical loss or physical damage exceeds \$250. We will then pay the amount of physical loss or physical damage in excess of \$250 up to the applicable Limit of Insurance.

**F. Additional Conditions**

**1. Valuation**

Property Loss Condition E.5. is deleted and replaced by the following:

**a. Valuation**

**(1) Property You Own**

The value of Covered Property will be the amount of invoice plus accrued charges, prepaid charges and charges since shipment; or

- (2) In the absence of an invoice, the value of Covered Property will be its actual cash value, with proper deduction for depreciation, at the point of destination on the date of expected arrival.

**b. Property of Others**

The most we will pay for Covered Property owned by others is the lesser of:

- (1) Your legal liability for direct physical loss or physical damage to such property; or
- (2) What we would pay if you had owned the property.

**2. Impairment of Rights of Recovery**

We will not pay for physical loss or physical damage, if you impair our rights to recover damages from any carrier for hire. But you may accept from carriers for hire bills of lading, receipts or contracts of transportation which contain a limitation of value.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **HIRED AUTO AND NON-OWNED AUTO**

This endorsement modifies insurance provided under the following:

### **BUSINESS LIABILITY COVERAGE FORM**

This coverage is subject to all provisions in the **BUSINESS LIABILITY COVERAGE FORM** not expressly modified herein:

#### **A. Amended Coverage:**

Coverage is extended to "bodily injury" and "property damage" arising out of the use of a "hired auto" and "non-owned auto".

#### **B. Paragraph B. EXCLUSIONS is amended as follows:**

1. Exclusion **g. Aircraft, Auto or Watercraft** does not apply to a "hired auto" or a "non-owned auto".
2. Exclusion **e. Employers Liability** does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract".
3. Exclusion **f. Pollution** is replaced by the following:

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
  - (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto";
  - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
  - (3) Being stored, disposed of, treated or processed in or upon the covered "auto".
- b. Before the "pollutants" or any property in which the "pollutants" are contained are

moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate, or are discharged or released directly from an "auto" part designed by its manufacturer to hold, store, receive, or dispose of such "pollutants"; and
- (2) The "bodily injury" and "property damage" does not arise out of the operation of any equipment listed in paragraphs **15.b.** and **15.c.** of the definition of "mobile equipment".

Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and

(2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage as a result of the maintenance or use of a covered "auto".

4. With respect to this coverage, the following additional exclusions apply:

**a. Fellow employee**

Coverage does not apply to "bodily injury" to any fellow "employee" of the "insured" arising out of the operation of an "auto" owned by the "insured" in the course of the fellow "employee's" employment.

**b. Care, custody or control**

Coverage does not apply to "property damage" involving property owned or transported by the "insured" or in the "insured's" care, custody or control.

C. With respect to "hired auto" and "non-owned auto" coverage, Paragraph C. **WHO IS AN INSURED** is deleted and replaced by the following:

The following are "insureds":

a. You.

b. Your "employee" while using with your permission:

- (1) An "auto" you hire or borrow; or
- (2) An "auto" you don't own, hire or borrow in your business or personal affairs; or
- (3) An "auto" hired or rented by your "employee" on your behalf and at your direction.

c. Anyone else while using a "hired auto" or "non-owned auto" with your permission except:

- (1) The owner or anyone else from whom you hire or borrow an "auto".
- (2) Someone using an auto while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
- (3) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company), or a lessee or borrower or any of their "employees", while moving property to or from an "auto".
- (4) A partner (if you are a partnership), or a member (if you are a limited liability

company) for an "auto" owned by him or her or a member of his or her household.

d. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

D. With respect to the operation of a "hired auto" and "non-owned auto", the following additional conditions apply:

**1. OTHER INSURANCE**

a. Except for any liability assumed under an "insured contract" the insurance provided by this Coverage Form is excess over any other collectible insurance.

However, if your business is the selling, servicing, repairing, parking or storage of "autos", the insurance provided by this endorsement is primary when covered "bodily injury" or "property damage" arises out of the operation of a customer's "auto" by you or your "employee".

b. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

**2. TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US**

If the Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

E. The following definitions are added:

**G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS:**

1. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include any auto you lease, hire, rent or borrow from any of your "employees", your partners (if you are a partnership), members (if you are a limited liability company),

or your "executive officers" or members of their households.

This does not include a long-term leased "auto" that you insure as an owned "auto" under any other auto liability insurance policy or a temporary substitute for an "auto" you own that is out of service because of its breakdown, repair, servicing or destruction.

2. "Non-owned auto " means any "auto" you do not own, lease, hire, rent or borrow which is used in connection with your business. This includes:
  - a. "Autos" owned by your "employees" your partners (if you are a partnership), members (if you are a limited liability company), or your "executive officers", or members of their households, but only while used in your business or your personal affairs.
  - b. Customer's "auto" that is in your care, custody or control for service.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ACCOUNTS RECEIVABLE**

This endorsement modifies insurance provided under the following:

### **STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM**

This coverage applies only when it is indicated in the Declarations. The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

**A.** When shown in the Declarations as applicable, the Limit of Insurance stated in paragraph **A.5.a.(1)**, **Accounts Receivable**, in the Standard Property Coverage Form and **A.6.a.(1)**, **Accounts Receivable**, in the Special Property Coverage Form is replaced by the Limit of Insurance for Accounts Receivable shown in the Declarations. All other terms and conditions of the Accounts Receivable Coverage Extension apply to this Optional Coverage.

**B. Limit of Insurance**

The most we will pay under this coverage extension in any one occurrence is the Limit of Insurance shown in the Declarations for Accounts Receivable.

**C. Deductible**

We will not pay for loss in any one occurrence unless the amount of loss exceeds the policy deductible stated in the Declarations. We will then pay the amount of loss in excess of the Deductible, up to the Limit of Insurance.

**D. Additional Conditions**

- (1)** If you cannot accurately establish the value of accounts receivable outstanding as of the time of direct physical loss or physical damage the following method will be used:
  - (a)** Determine the total of the average monthly value of accounts receivable for the 12 months immediately preceding the month in which the direct physical loss or physical damage occurred; and
  - (b)** Adjust that total for any normal fluctuations in the value of accounts receivable for the month in which the direct physical loss or physical damage occurred or for any demonstrated variance from the average for that month.
- (2)** The following will be deducted from the total value of accounts receivable, however that value is established:
  - (a)** The value of the accounts for which there is no loss or damage;
  - (b)** The value of the accounts that you are able to reestablish or collect;
  - (c)** A value to allow for probable bad debts that you are normally unable to collect; and
  - (d)** All unearned interest and service charges.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COMPUTERS AND MEDIA**

This endorsement modifies insurance provided under the following:

### **STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM**

The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

#### **A. Computer Equipment, Electronic Data and Software**

##### **1. Coverage**

We will pay for direct physical loss of or physical damage, to "computer equipment" and the cost to research, replace or restore physically lost or physically damaged "electronic data" and "software" subject to the Limit of Insurance shown in the Declarations for Computers and Media while anywhere within the coverage territory, and while in transit, but only if:

- a. Owned by you; or
- b. Owned by others but in your care, custody and control regardless of whether you use it for personal or business needs.

##### **2. Property Not Covered**

"Computer Equipment" as used in this optional coverage does not include:

- a. Source documents, other than manuals purchased with hardware or "software";
- b. Worksheets and printouts;
- c. Property held for sale or lease;
- d. Property leased or rented to others; or
- e. "Money", deeds, notes, "securities" or other financial instruments, including such instruments in electronic form.

##### **3. Extended Causes of Loss**

Direct physical loss or physical damage to your "computer equipment", "electronic data" or "software", or "computer equipment", "electronic data" or "software" of others in your care, custody or control is extended to include the following:

- a. Electromagnetic injury caused by:
  - (1) Blackout or brownout;

(2) Power Failure;

(3) Airport security check, or radio or telephone line interference; or

(4) Electromagnetic disturbance outside the "computer system".

b. Head crash, meaning physical damage to disks, tapes or hardware caused by a contact of electromagnetic heads (which read or write information) with such disks or tapes;

c. Damage caused by a "computer virus"; and

d. Theft of "computer equipment" away from the "scheduled premises". Theft means an act of stealing or an attempt to steal. Theft includes loss of property from a known place when it is likely that the property has been stolen.

##### **4. Exclusion**

We will not pay to research, replace or restore physically lost or physically damaged "electronic data" or "software" which is licensed, leased or rented to others.

##### **5. Deductible**

We will not pay for loss or damage in any one occurrence to "computer equipment" until the amount of loss or damage exceeds \$250, unless a separate deductible is stated in the Declarations for Computers and Media Coverage.

#### **B. Additional Coverage**

##### **1. Business Income and Extra Expense Coverage**

If Business Income and Extra Expense Coverage is included in this policy then the following applies.

##### **a. Coverage**

(1) Coverage under this endorsement applies to the following Additional

Coverages and Coverage Extensions in the Standard or Special Property Coverage Form with respect to "computer equipment", "electronic data" and "software":

- (a) Business Income;
- (b) Extra Expense;
- (c) Civil Authority;
- (d) Extended Business Income; and
- (e) Newly Acquired or Constructed Property Coverage.

- (2) Coverage under this endorsement does not apply to any other Additional Coverage or Coverage Extension.

**b. Coverage Limitations**

The following limitations apply only if the physical loss or physical damage is a direct result of the **Extended Causes of Loss** for "computer equipment", "software" and "electronic data" as indicated below.

**(1) Limit of Insurance**

This Additional Coverage is included in the Limit of Insurance for Computers and Media shown in the Declarations when the actual loss of business income and extra expense you incur due to the necessary suspension (slowdown or cessation) of your operations is a result of:

- (a) A cause of loss included in A.3.a., b. or c., **Extended Causes of Loss**, of this endorsement; or
- (b) Physical damage or physical loss to "computer equipment", "electronic data", and "software" that was away from the scheduled premises at the time of loss.

This is not an additional limit of insurance.

**(2) Waiting Period**

We will not pay for any covered Business Income loss you sustain under this provision due to physical loss or physical damage to "electronic data", or "software" caused by a "computer virus" which results in the necessary suspension (slowdown or cessation) of your business described in the Declarations during the first 12 hours that immediately follow the start of such suspension. This Waiting Period applies independent of the deductible applicable to "Computer Equipment".

**2. Equipment Breakdown Coverage**

The Additional Coverage for Equipment Breakdown applies to "computer equipment",

"electronic data", and "software" when this endorsement is attached to the Special Property Coverage Form and Equipment Breakdown Additional Coverage is included on the policy.

**C. Exclusion of Certain Computer Related Losses**

The provisions of this endorsement do not override or in any way affect the application of the Exclusion of Certain Computer Related Losses if such exclusion is endorsed to or otherwise made a part of this policy. That exclusion addresses the inability of a "computer system" to correctly recognize process, distinguish, interpret or accept one or more dates or times.

**D. Exclusions**

- 1. Section B. Exclusions**, of the Standard or Special Property Coverage Form do not apply to coverage provided by this endorsement, except for the exclusions of:

- a. Earth Movement;
- b. Governmental Action;
- c. Nuclear Hazard;
- d. War and Military Action; and
- e. Water.

**2. Additional Exclusions**

We will not pay for loss or damage caused by or resulting from:

- a. Input, programming or processing errors;
- b. Mechanical breakdown or failure, however head crash will not be considered as a mechanical breakdown or failure.

This exclusion does not apply to "computer equipment", "electronic data", and "software" when this endorsement is attached to the Special Property Coverage Form and Equipment Breakdown Additional Coverage is included on the policy;

- c. Faulty construction, materials or workmanship;
- d. Error, omission or deficiency in design;
- e. Rust, corrosion, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- f. Dryness or dampness of atmosphere; changes in or extremes of temperature;
- g. Wear and tear, marring or scratching;
- h. Insects, birds, rodents, or other animals;
- i. Obsolescence;
- j. Dishonest or criminal acts by you, any of your partners, employees, trustees, authorized representatives or anyone to whom you entrust the property for any purpose, whether acting alone or in collusion with others;



- k. Unexplained disappearance, however we will cover theft of "computer equipment" as provided in provision A.3.d.;
- l. Unlawful trade, or seizure by orders of governmental authority;
- m. Delay or loss of market; and
- n. Theft of laptop, palmtop or similar portable property while in transit as checked baggage.

#### **E. Limit of Insurance**

The most we will pay for physical loss or physical damage in any one occurrence is the Limit of Insurance for Computers and Media shown in the Declarations.

#### **F. Loss Payment**

This Loss Payment condition is applicable to the "computer equipment", "electronic data", and "software" coverage provided by this endorsement. We will determine the value of Covered Property as follows:

1. "Computers," "peripheral devices", "media", and manuals at the full cost to repair or replace the property subject to the Limit of Insurance. However, we will not pay more for physical loss or physical damage on a replacement cost basis than the lesser of and the following:
  - a. The amount necessary to replace the item with similar property possessing the minimum characteristics necessary to perform the same functions when replacement with identical property is not possible or practical.
  - b. The amount necessary to repair or replace the item with one substantially identical to the physically lost or physically damaged item. In the event of a covered total loss to one or more items, we will allow up to 20% over the current replacement cost as described in this provision, as an Optional Upgrade Allowance for the purchase of new

property with upgraded processing or performance characteristics. This Optional Upgrade Allowance will, at our option, be payable after you have purchased the replacement property and have provided us with written proof of such purchases; or

- c. If the item is not repaired or replaced, we will not pay more than the actual cash value of the item at the time of physical loss or physical damage. If you elect this option, you have the right to make further claim within 180 days after loss for any additional payment on a replacement cost basis.

2. In the event of physical loss or physical damage to "electronic data" or "software", we will pay the reasonable amount you actually spend to reproduce, restore, or replace the physically lost or physically damaged "electronic data" or "software". This includes the cost of computer consultation services for restoration and the cost of research to reconstruct lost or damaged information. But we will not pay more than the Limit of Insurance for Computers and Media specified in the Declarations.
3. In the event of physical loss or physical damage to any part of "computer equipment", "electronic data" or "software", we will pay only what it would cost to replace, reproduce, or restore the physically lost or physically damaged part.

#### **G. Additional Definitions**

1. "Computer Virus" means a program, which is intentionally created to cause damage or disruption in the computer operations of a party using or coming in contact in any way with the program.
2. "Computer System" includes "computer", "peripheral devices", "software", and "electronic data" necessary for the "computer" to function for its intended purpose.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYEE DISHONESTY COVERAGE**

This endorsement modifies insurance provided under the following:

### **STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM**

Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

#### **A. COVERAGE**

1. The following is added to Paragraph A.5., Additional Coverages, of the Special Property Coverage Form:

##### **Employee Dishonesty Coverage**

- (1) We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Causes of Loss.

Covered Property, solely as used in this Additional Coverage, means "money", "securities", and other tangible property of intrinsic value and not otherwise excluded.

Covered Causes of Loss means dishonest acts committed by an "employee", except you, whether identified or not, acting alone or in collusion with other persons, with the manifest intent to:

- (a) Cause you to sustain loss; and also
  - (b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions or other employee benefits earned in the normal course of employment) for:
    - (i) That "employee"; or
    - (ii) Any person or organization intended by the "employee" to receive that benefit.
- (2) **Employee Dishonesty Additional Coverages:**
- (a) We will pay for loss of Covered Property arising out of a Covered

Cause of Loss caused by any "employee" while temporarily outside the Coverage Territory for a period of not more than 90 days.

- (b) We will pay for any loss of Covered Property arising out of a Covered Cause of Loss caused by your "employee" while at the premises of your client or customer.

Any claim for loss sustained by any client or customer and covered by this policy may only be made by you in your Proof of Loss. No third party has a direct right against this insurance and no third party may make a direct claim against us as the writer of your insurance.

- (3) **Coverage under the Employee Retirement Income Security Act of 1974, as amended ("ERISA")**

- (a) We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Causes of Loss.

Covered Property, solely as applicable to ERISA coverage, means the funds or other property of any employee pension benefit plan or employee welfare benefit plan that:

- (i) Is subject to (and not exempt from) the bond requirement set forth in Section 412 of ERISA, and
- (ii) You establish and maintain for your employees (a "Plan")

and which is not otherwise excluded.

Covered Causes of Loss, solely as applicable to ERISA coverage,

means an act of fraud or dishonesty committed by an "employee", except you, whether identified or not, acting alone or in collusion with other persons, that results in a loss to a Plan of funds or other property which is used or may be used to pay benefits under the Plan. "Covered Causes of Loss" does not include investment losses or any other loss resulting from a breach of fiduciary duty under ERISA or a prohibited transaction as defined by ERISA and for which coverage is not required by Section 412 of ERISA.

**(b) Welfare and Pension Plan ERISA Compliance**

In compliance with certain provisions of the ERISA:

- (i) For the purposes of this insurance, the Plans you establish and maintain for the benefit of your employees shall be Named Insureds under this Employee Dishonesty Coverage.
- (ii) "Employee" includes any natural person you employ and any owner, officer, trustee or director of your company who "handles" the funds or other property of the Plan (as defined in 29 C.F.R. 2580.412-6) including, but not limited to, the Plan Administrator. "Employee" does not include any third party (including but not limited to a broker, independent contractor, record keeper, payroll provider, trustee or other fiduciary) who provides services to you or to a Plan.
- (iii) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance under this Employee Dishonesty Coverage Form that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each Plan were separately insured.
- (iv) If the insured first named in the Declarations is an entity other than a Plan, any payment we make to that insured for loss sustained by any Plan must be

paid promptly into such plan for the use and benefit of the Plan(s) sustaining the loss.

- (v) If two or more Plans are insured under this insurance, any payment we make for loss either sustained by two or more plans, or of commingled funds or other property of two or more Plans that arises out of one occurrence, is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.

**(4) Theft Limitation Exception**

Limitation A.4.c., of the Special Property Coverage Form does not apply to coverage provided by this endorsement.

**(5) Additional Exclusions**

**(a) Employee Terminated Under Prior Insurance**

We will not pay for loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been terminated and not reinstated since the last such termination.

**(b) Insurance Operations**

We will not pay for direct or indirect loss resulting from contractual or extra-contractual liability sustained by you in connection with the issuance of contracts or purported contracts of insurance, indemnity or suretyship.

**(c) Inventory Shortages**

We will not pay loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (i) An inventory computation; or
- (ii) A profit and loss computation.

**(d) Partners**

We will pay only for loss caused by any partner or member of a limited liability corporation that is in excess of the sum of:

- (i) Any amounts you owe that partner or member; and
- (ii) The value of that partner's or member's ownership interest determined by the closing of

you organization's books on the date of discovery of the loss by anyone in your organization not involved in the Employee Dishonesty; and

(iii) Any applicable deductible amount.

**(e) Trading Loss**

We will not pay for loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account if such loss does not result from dishonesty or fraud.

**(6) Additional Conditions**

**(a) Termination As To Any "Employee"**

This insurance is terminated as to any "employee":

(i) Immediately upon discovery by you, or any of your partners, officers or directors not in collusion with the "employee", of any dishonest or fraudulent act committed by that "employee" whether before or after becoming employed by you; or

(ii) On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing.

The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

**(7) Limit of Insurance**

The most we will pay for each occurrence of loss under this Additional Coverage is the Employee Dishonesty Limit of Insurance stated in the Declarations.

**(8) Deductible**

We will not pay for loss in any one occurrence unless the amount of loss exceeds the Deductible shown Paragraph D.5. the Special Property Coverage Form, unless a separate Deductible for Employee Dishonesty applies and is stated in the Declarations. We will then pay the amount of the loss in excess of the Deductible, up to the Limit of Insurance.

No deductible applies to the coverage granted in Paragraph A.1.(3) of this endorsement.

**(9) Occurrence Definition**

As used in this Additional Coverage, occurrence means all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **OUTDOOR SIGNS**

This endorsement modifies insurance provided under the following:

### **STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM**

This coverage applies only when it is indicated in the Declarations. The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

**A.** We will pay for direct physical loss of or physical damage to all outdoor signs at the "scheduled premises":

- (1) Owned by you; or
- (2) Owned by others but in your care, custody and control.

**B.** Paragraph A.3., Covered Causes of Loss, and Section B., Exclusions, do not apply, to this Optional Coverage, except for:

- (1) Governmental Action;
- (2) Nuclear Hazard; and
- (3) War and Military Action.

**C. Additional Exclusion**

We will not pay for physical loss or physical damage caused by or resulting from:

- (1) Wear and tear;
- (2) Hidden or latent defect;
- (3) Rust;
- (4) Corrosion; or
- (5) Mechanical breakdown.

**D. Limit of Insurance**

The most we will pay for physical loss or physical damage in any one occurrence is the Limit of Insurance for Outdoor Signs shown in the Declarations.

**E.** The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PERSONAL PROPERTY OF OTHERS**

This endorsement modifies insurance provided under the following:

**STANDARD PROPERTY COVERAGE FORM  
SPECIAL PROPERTY COVERAGE FORM**

This coverage applies only when it is indicated in the Declarations. The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

We will pay, on replacement cost basis, for direct physical loss or physical damage by a Covered Cause of Loss to Personal Property of Others that is in your care, custody and control.

The most we will pay for direct physical loss or physical damage in any one occurrence is the Limit of Insurance applicable to Personal Property of Others shown in the Declarations.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TEMPERATURE CHANGE**

This endorsement modifies insurance provided under the following:

### **STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM**

This coverage applies only when it is indicated in the Declarations. The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

**A. We will pay for direct physical loss of or physical damage to "perishable stock" at the "scheduled premises" caused by or resulting from:**

1. A change in temperature or humidity resulting from:
  - (a) Mechanical breakdown or failure of:
    - (1) Stationary heating plants; or
    - (2) Refrigerating, cooling or humidity control apparatus or equipment;
 But only while such plants, equipment or apparatus are at the "scheduled premises".
  - (b) Complete or partial failure of electric power, either on or away from your "scheduled premises". Such failure of power must be due to conditions beyond your control; or
2. Contamination by a refrigerant.

**B. SELLING PRICE**

We will determine the value of finished "perishable stock" in the event of direct physical loss or physical damage at the selling price, as if no physical loss or physical damage had occurred less discounts and expenses you otherwise would have had.

**C. We will not pay for direct physical loss of or physical damage to "perishable stock" located:**

1. On buildings;
2. In the open; or
3. In vehicles, other than trailers used for storage located within 1000 feet of the "scheduled premises".

**D. EXCLUSIONS**

1. The following exclusions under SECTION B - EXCLUSIONS are deleted:

- (a) Ordinance or Law;
- (b) Power Failure; and
- (c) Mechanical Breakdown in the Standard Property Coverage Form.

**2. The following exclusions are added:**

We will not pay for direct physical loss or physical damage caused by or resulting from:

- (a) The disconnecting of any of the following systems from the source of power:
  - (1) Refrigerating;
  - (2) Cooling; or
  - (3) Humidity control.
- (b) The loss of electrical power caused by the shutting off of any switch or other device used to control the flow of electric power or current.
- (c) The inability of an electrical utility company, your stationary heating plant or any other power source to provide sufficient heat or power due to:
  - (1) Lack of fuel;
  - (2) Lack of capacity to make enough heat or power; or
  - (3) Order of the government.
- (d) Breaking of any glass that is a permanent part of a refrigerating, cooling or humidity control unit.

**E. DEDUCTIBLE**

We will not pay for loss in any one occurrence unless the amount of loss exceeds the deductible stated in paragraph D.5. of the Standard Property Coverage Form or D.5. of the Special Property Coverage Form., unless a different deductible is stated in the

Declarations for Temperature Change. We will then pay the amount of loss in excess of the deductible, up to the Limit of Insurance.

**F. LIMIT OF INSURANCE**

The most we will pay for direct physical loss or physical damage in any one occurrence is the Limit of Insurance for Temperature Change shown in the Declarations.

**G. ADDITIONAL CONDITIONS**

1. We will pay for direct physical loss or physical damage under this Optional Coverage only when:
  - (a) Such physical loss or physical damage is not covered elsewhere in this policy or any other policy that insures the "perishable stock" at the "scheduled premises"; and
  - (b) This Temperature Change coverage is shown as a specific item of insurance in the Declarations.
2. In the event of physical loss or physical damage, none of the other coverages under this policy or any other policy will share in its payment unless the provisions of the policy are similar to the provisions of this Optional Coverage.
3. We will not pay more than the Limit of Insurance shown in the Declarations for the Temperature Change.

**H. ADDITIONAL DEFINITIONS**

For the purpose of this insurance:

1. "Mechanical breakdown" means:

- (a) Breaking or separation of any mechanical part(s) other than gas pipes or lines; or
- (b) Burning out of any electrical motor servicing such unit; and

requiring replacement of the damaged parts to become functional.

But "mechanical breakdown" does not mean faulty operation or failure of equipment which results in temperature change but does not require replacement of broken parts.

We will not pay for direct physical loss or physical damage to "perishable stock" caused by such faulty operation or failure of equipment.

2. "Perishable stock" means personal property:

- (a) Maintained under controlled conditions for its preservation; and
- (b) Susceptible to direct physical loss or physical damage if the controlled conditions change.





**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **VALUABLE PAPERS AND RECORDS**

This endorsement modifies insurance provided under the following:

### **STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM**

This coverage applies only when it is indicated in the Declarations. The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

- A.** We will pay for direct physical loss of or physical damage to the following types of property at the "scheduled premises" that is your property or property of others in your care, custody or control:

Valuable Papers and Records, meaning inscribed, printed or written:

- (1) Documents;
- (2) Manuscripts;
- (3) Records including patient records; or
- (4) X-Rays

including abstracts, books, deeds, drawings, films, maps or mortgages.

**But Valuable Papers and Records does not include:**

- (1) Property that cannot be reproduced, replaced or restored;
- (2) "Money" and "Securities";
- (3) Converted data; or
- (4) Programs or instructions used in your data processing operations, including the material on which the data is recorded.

**B. Limit of Insurance**

The most we will pay for direct physical loss or physical damage in any one occurrence is the Limit of Insurance for Valuable Papers and Records shown in the Declarations.

**C. Deductible**

We will not pay for loss in any one Occurrence unless the amount of loss exceeds the policy deductible stated in the Declarations. We will then pay the amount of loss in excess of the Deductible, up to the Limit of Insurance.

- D.** Under this Optional Coverage we will not pay for property:

- (1) Held as samples or for delivery after sale;
- (2) In storage away from the premises shown in the Declarations; or
- (3) If such property can not be replaced with other property of like kind and quality.

- E.** With respect to this Optional Coverage, Coverage Extension **A.5.h.**, Property Off-Premises in the Standard Property Coverage Form and Coverage Extension **A.6.h.**, Property Off-Premises in the Special Property Coverage Form are replaced by the following:

1. You may apply the insurance provided under this Optional Coverage to Valuable Papers and Records while such property is not at the "scheduled premises", including while in transit. The most we will pay for direct physical loss or physical damage under this Coverage Extension is 25% of the Limit of Insurance shown in the Declarations for Valuable Papers and Records but not more than \$25,000.
2. However, if Valuable Papers and Records – Off-Premises is scheduled in the Declarations, then the limit in E.1. above is replaced by the limit of insurance shown in the Declarations for Valuable Papers and Records – Off-Premises.

- F.** The Valuable Papers and Records Coverage Extension, paragraph **A.5.i.** in the Standard Property Coverage Form and paragraph **A.6.i.** in the Special Property Coverage Form, do not apply to any premises where this Optional Coverage applies.

- G.** With respect to coverage provided by this endorsement, paragraph **E.5.d.(6)** in the Standard Property Coverage Form and in the Special Property Coverage Form are replaced by the following:

- (6) We will determine the value of "Valuable Papers and Records" at the cost of:
  - a. Blank materials for reproducing the records; and

- b. The reasonable cost to research, replace or restore the lost information.

H. **Section B. Exclusions** does not apply to this Optional Coverage except for:

- (1) Governmental Action;
- (2) Nuclear Hazard; and
- (3) War and Military Action.

I. **Additional Exclusions**

We will not pay for direct physical loss or physical damage caused by or resulting from any of the following:

- (1) Dishonest acts by:
  - (a) You, or your employees or authorized representatives;
  - (b) Anyone else with an interest in the property, or their employees or authorized representatives; or

- (c) Anyone else to whom the property is entrusted.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

But this exclusion does not apply to a carrier for hire.

- (2) Errors or omissions in processing or copying.

But we will pay for direct physical loss or physical damage caused by resulting fire or explosion.

- (3) Electrical or magnetic injury, disturbance or erasure of electronic recordings.

But we will pay for direct physical loss or physical damage caused by lightning.

- (4) Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

- (5) Unauthorized instructions to transfer property to any person or to any place.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CRIME COMMON CONDITIONS AND EXCLUSIONS**

This endorsement modifies insurance provided under the following:

### **STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM**

The following conditions are added the **Standard Property Coverage Form** and the **Special Property Coverage Form**.

#### **A. CRIME COMMON CONDITIONS**

##### **1. Consolidation - Merger**

If through consolidation or merger with, or purchase of assets of, some other entity:

- a. Any additional persons become "employees" ; or
- b. You acquire the use and control of any additional premises;

any insurance afforded for "employees" or premises also applies to those additional "employees" and premises, but only if you:

- (1) Give us written notice within 60 days thereafter; and
- (2) Pay us an additional premium.

##### **2. Discovery Period for Loss**

We will pay only for covered loss discovered no later than one year from the end of the policy period.

Discovery of loss occurs when you first become aware of facts which would cause a reasonable person to assume that a loss covered by this policy has been, or may be incurred even though the exact amount or the details of the loss may not then be known.

Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts, which if true, would be a covered loss under this policy.

##### **3. Joint Insured**

- a. If more than one Insured is named in the Declarations, the first named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first named Insured ceases to be covered, then the next named Insured will become the first named Insured.
- b. If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- c. An "employee" of any Insured is considered to be an "employee" of every Insured.
- d. If this insurance or any of its coverages is canceled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered no later than one year from the date of that cancellation or termination.
- e. We will not pay more for loss sustained by more than one Insured than the amount we would pay if all the loss had been sustained by one Insured.

##### **4. Legal Action Against Us**

The following replaces the Legal Action Against Us in the Property Loss Conditions:

No one may bring a legal action against us under this Coverage Part unless:

- a. There has been full compliance with all of the terms of this Coverage Part; and
- b. The action is brought within 2 years after the date on which you discover the loss .

**5. Loss Sustained During Prior Insurance**

- a. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:
- (1) This insurance became effective at the time of cancellation or termination of the prior insurance; and
  - (2) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
- b. The insurance under this Condition is part of, not in addition to, the Limits of Insurance applying to this insurance and is limited to the lesser of the amount recoverable under:
- (1) This insurance as of its effective date; or
  - (2) The prior insurance had it remained in effect.

**6. Non-Cumulation of Limit of Insurance**

Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

**7. Loss Covered Under This Insurance and Prior Insurance Issued by Us or Any Affiliate**

If any loss is covered under this policy and under any prior canceled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest, we will not pay more than the highest single Limit of Insurance. We will settle such claim as follows:

- a. We will first pay the Limit of Insurance applicable under this policy subject to this policy's applicable deductible; then
- b. If the Limit of Insurance under that prior policy is equal to or less than the Limit of Insurance under this policy, we will make no further payment; or
- c. If the Limit of Insurance under that prior policy is higher than the Limit of Insurance under this policy, we will then pay for any remaining part of the loss.

But in no event will our total payment for loss be more than would be payable under the policy with the highest Limit of Insurance.

We will also apply any deductible under that prior policy to the extent it exceeds the deductible under this policy.

**8. Ownership of Property, Interests Covered**

The property covered under this insurance is limited to property:

- a. That you own or hold; or
- b. For which you are legally liable.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.

**9. Policy Period**

- a. The Policy Period is stated in the Declarations.
- b. Subject to the Loss Sustained During Prior Insurance condition, **A.5.** above, we will pay only for loss that you sustain through acts committed or events occurring during the Policy Period.

**10. Recoveries**

The following replaces the Recovered Property in the Property Loss Conditions:

- a. Any recoveries less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:
  - (1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
  - (2) Then to us, until we are reimbursed for the settlement made;
  - (3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.
- b. Recoveries do not include any recovery:
  - (1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
  - (2) Of original "securities" after duplicates of them have been issued.

**B. CRIME COMMON EXCLUSIONS**

The following are Exclusions replace the Exclusions in Section B:

**1. Governmental Action**

We will not pay for loss resulting from seizure or destruction of property by order of governmental authority.

**2. Indirect Loss**

We will not pay for loss that is an indirect result of any act or occurrence covered by this insurance including, but not limited to, loss resulting from:

- a. Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property.
- b. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
- c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

**3. Legal Expenses**

We will not pay for expenses related to any legal action.

**4. Nuclear Hazard**

We will not pay for loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.

**5. War and Similar Actions**

We will not pay for loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

**C. CRIME COMMON DEFINITIONS**

The following is added to Definitions

**"Employee"** means:

1. Any natural person:
  - a. While in your service (and for 60 days after termination of service); and
  - b. Whom you compensate directly by salary, wages or commissions; and
  - c. Whom you have the right to direct and control while performing services for you;
2. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises;

3. Any natural person who is your partner or member of a limited liability corporation.
  4. Any natural person, whether or not compensated, while performing services for you as the chairman or a member of any committee;
  5. Any natural person who is a non-compensated officer;
  6. Any natural person who is a director or trustee while acting as a member of any of your elected or appointed committees or while acting within the scope of the usual duties of an "employee";
  7. Any natural person who is a non-compensated volunteer, other than one who is a fund solicitor, while performing services for you that are usual to the duties of an "employee";
  8. Any natural person who is a former employee, director, partner, member, representative or trustee retained as a consultant while performing services for you;
  9. Any natural person who is a student intern who is pursuing studies or acting within the scope of the usual duties of an "employee";
  10. Any natural person, who is a student enrolled in your facility, while handling or has possession of property or funds in connection with sanctioned student activities;
  11. The spouses of and children over 18 years old who reside with any "employee" who is a building manager, superintendent or janitor.
- Each family is deemed to be, collectively, one "employee" for the purposes of this insurance, except that any Termination Condition applies individually to the spouse and children.

**"Employee" does not mean:**

- (1) An agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Any manager, director, partner, member or trustee, except while acting within the scope of the usual duties of an "employee".



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FORGERY COVERAGE**

**(Including Credit Cards, Currency and Money Orders)**

This endorsement modifies insurance provided under the following:

### **STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM**

Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

**The following is added to Additional Coverages:**

#### **A. FORGED OR ALTERED INSTRUMENTS COVERAGE**

##### **1. Covered Property**

Covered Property means the following instruments:

- a. Checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

- (1) Made or drawn by or drawn upon you;
- (2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn; and

- b. Written instruments required in conjunction with any credit, debit or charge card issued to you or any "employee" for business purposes.

##### **2. Covered Causes of Loss**

Covered Causes of Loss means forgery or alteration.

##### **3. Legal Expense Additional Coverage**

If you are sued for refusing to pay any Covered Instrument on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we

will pay for any reasonable legal expenses that you incur and pay in that defense. This payment is in addition to the applicable Limit of Insurance. The Deductible does not apply to this Coverage Extension.

##### **4. Additional Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Crime Common Conditions and Exclusions Form.

- a. We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.
- b. You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.
- c. The Coverage Territory is revised to cover loss you sustain anywhere in the world.

##### **5. Exclusion**

The following Exclusion applies in addition to the Exclusions in the Crime Common Conditions and Exclusions.

We will not pay for loss resulting from any dishonest or criminal act committed by any of your "employees", directors, or trustees:

- a. Acting alone or in collusion with other persons; or
- b. While performing services for you or otherwise.

**B. COUNTERFEIT CURRENCY AND MONEY  
ORDERS COVERAGE**

**1. Covered Property**

Covered Property means the following:

We will pay for loss directly resulting from

- a. Money orders, including counterfeit money orders, of any United States or Canadian post office, express company or national or state (or Canadian) chartered bank that are not paid upon presentation; and
- b. Counterfeit United States or Canadian paper currency.

**2. Covered Causes of Loss**

Covered Causes of Loss means the acceptance of Covered Property in good faith, in exchange for merchandise, money or services, during the regular course of business.

**3. Exclusions**

The following Exclusion applies in addition to the Exclusions in the Crime Common Conditions and Exclusions.

- a. We will not pay for loss resulting from any dishonest or criminal act committed by any of your "employees", directors, trustees or authorized representatives:
  - (1) Acting alone or in collusion with other persons; or
  - (2) While performing services for you or otherwise.

- b. We will not pay for loss resulting from the giving or surrendering of property in any exchange or purchase.

- c. We will not pay for loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

**C. DEDUCTIBLE**

We will not pay for loss in any one Occurrence unless the amount of loss exceeds the **Deductible** stated in the Declarations. We will then pay the amount of loss in excess of the Deductible, up to the Limit of Insurance.

**D. LIMIT OF INSURANCE**

The most we will pay for each Occurrence of loss under this Endorsement is the Forgery Limit of Insurance stated in the Declarations.

The Additional Coverages are included in this Limit of Insurance.

**E. OCCURRENCE DEFINITION**

1. For Forged or Altered Instruments Coverage, **Occurrence** means all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments of Covered Property.
2. For Counterfeit Currency and Money Order Coverage, **Occurrence** means an:
  - a. Act or series of related acts involving one or more persons; or
  - b. Act or event, or series of related acts or events not involving any person.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **OFF-PREMISES UTILITY SERVICES – DIRECT DAMAGE**

This endorsement modifies insurance provided under the following:

**STANDARD PROPERTY COVERAGE FORM  
SPECIAL PROPERTY COVERAGE FORM**

Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

### **A. DIRECT DAMAGE EXTENSION FOR OFF-PREMISES UTILITY SERVICES**

This Coverage Extension applies only to the "scheduled premises" shown in the Declarations with a Utility Services Limit of Insurance. The Utility Services Limit of Insurance is part of, not in addition to, the Limit of Insurance stated in the Declarations as applicable to the Covered Property.

We will pay for direct physical loss of or physical damage to Covered Property described in the Declarations caused by the interruption of utility service to the "scheduled premises". The interruption must result from direct physical loss or physical damage by a Covered Cause of Loss to the following property, not on the "scheduled premises":

1. "Water Supply Services";
2. "Communication Supply Services"; or
3. "Power Supply Services".

### **B. ADDITIONAL DEFINITIONS**

1. **"Water Supply Services"**, meaning the following types of property supplying water to the "scheduled premises":
  - a. Pumping stations; and
  - b. Water mains.
2. **"Communication Supply Services"**, meaning property supplying communication services, including telephone, radio, microwave or television services, including overhead transmission lines to the "scheduled premises", such as:
  - a. Communication transmission lines, including optic fiber transmission lines;
  - b. Coaxial cables; and
  - c. Microwave radio relays except satellites.
3. **"Power Supply Services"**, meaning the following types of property supplying electricity, steam or gas, including overhead transmission lines to the "scheduled premises":
  - a. Utility generating plants;
  - b. Switching stations;
  - c. Substations;
  - d. Transformers; and
  - e. Transmission Lines.





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## **CYBERFLEX COVERAGE**

This endorsement modifies insurance provided under the following:

### **BUSINESS LIABILITY COVERAGE FORM**

This endorsement modifies coverage under the Business Liability Coverage Form for your web site or internet related activities.

**A. Exclusion 1.p. "Personal and Advertising Injury"**  
(Section B. - EXCLUSIONS) is modified as follows:

1. Paragraphs (4), (5) and (7) are deleted and replaced by the following:

- (4) Arising out of any breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement" or on "your web site";

- (5) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement" or on "your web site";

- (7) (a) Arising out of any actual or alleged infringement or violation of any intellectual property rights, such as copyright, patent, trademark, trade name, trade secret, service mark or other designation of origin or authenticity; or

- (b) Any injury or damage alleged in any claim or "suit" that also alleges an infringement or violation of any intellectual property right, whether such allegation of infringement or violation is made against you or any other party involved in the claim or "suit", regardless of whether this insurance would otherwise apply.

However, this exclusion does not apply if the only allegation in the claim or "suit" involving any intellectual property right is limited to:

- (1) Infringement in your "advertisement", of:
    - (a) Copyright;
    - (b) Slogan; or
    - (c) Title of any literary or artistic work; or

- (2) Copying in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement".

2. Paragraph (9) does not apply.

3. Subparagraphs (a), (b) and (c) of Paragraph (12) do not apply.

**B. Section G. - LIABILITY AND MEDICAL EXPENSES DEFINITIONS** is amended as follows:

1. Paragraph b. of definition 1. "advertisement" is deleted and replaced by:

"Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through:

- b. The Internet;

2. Paragraphs f. and g. of the definition of "personal and advertising injury" are deleted and replaced by the following:

"Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- f. Copying, in your "advertisement" or on "your web site", a person's or organization's "advertising idea" or style of "advertisement";

- g. Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement" or on "your web site"; or

3. The following is added to the definition of "personal and advertising injury":

As used in this definition, oral, written or electronic publication includes publication of material in your care, custody or control by someone not authorized to access or distribute that material.

4. The following definition is added:

"Your web site" means a web page or set of interconnected web pages prepared and maintained by you, or by others on your behalf, for the purposes of promoting your goods or services, that is accessible over a computer network.



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## **EQUIPMENT BREAKDOWN DEDUCTIBLE**

This endorsement modifies insurance provided under the following:

### **SPECIAL PROPERTY COVERAGE FORM**

The following deductible applies to direct physical loss or physical damage for which coverage is provided under **Additional Coverage** paragraph 5.c. **Equipment Breakdown**:

1. We will not pay for direct physical loss or physical damage in any one occurrence unless the amount of physical loss or physical damage exceeds the Equipment Breakdown Deductible stated in the Declarations. We will then pay the amount of the physical loss or physical damage in excess of the Equipment Breakdown Deductible up to the applicable Limit of Insurance for Covered Property.
2. You must give us notice as soon as possible of any direct physical loss or physical damage, even if the physical loss or physical damage falls entirely within the Equipment Breakdown Deductible.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LIMITED FUNGI, BACTERIA OR VIRUS COVERAGE**

This endorsement modifies insurance provided under the following:

**SPECIAL PROPERTY COVERAGE FORM  
STANDARD PROPERTY COVERAGE FORM  
PERSONAL PROPERTY OF OTHERS  
COMPUTERS AND MEDIA COVERAGE**

**A. Fungi, Bacteria or Virus Exclusions**

1. Paragraph **A.5.i.(5)**. of the Increased Cost of Construction Additional Coverage of the Standard Property Coverage Form is replaced by the following:

(5) Under this Additional Coverage, we will not pay for:

(a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling, or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot, bacteria or virus; or

(b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants", "fungi", wet or dry rot, bacteria or virus.

2. The following exclusion is added to Paragraph **B.1**. Exclusions of the Standard Property Coverage Form and the Special Property Coverage Form; Paragraph **F.**, Additional Exclusions of Computers and Media, form SS 04 41, and to form SS 04 45, Personal Property of Others:

**i. "Fungi", Wet Rot, Dry Rot, Bacteria And Virus**

We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- (1) Presence, growth, proliferation, spread or any activity of "fungi", wet rot, dry rot, bacteria or virus.
- (2) But if "fungi", wet rot, dry rot, bacteria or virus results in a "specified cause of loss" to Covered Property, we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungi", wet or dry rot, bacteria or virus results from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage – Limited Coverage for "Fungi", Wet Rot, Dry Rot, Bacteria and Virus with respect to loss or damage by a cause of loss other than fire or lightning.

This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

- B.** The following Additional Coverage is added to Paragraph **A.4**. of the Standard Property Coverage Form or Paragraph **A.5**. of the Special Property Coverage Form, and applies to the optional coverage form SS 04 41, Computers and Media and SS 04 45, Personal Property of Others and form:

**1. Limited Coverage For "Fungi", Wet Rot, Dry Rot, Bacteria and Virus**

- a. The coverage described in 1.b. below only applies when the "fungi", wet or dry rot, bacteria or virus is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

- (1) A "specified cause of loss" other than fire or lightning;
- (2) Equipment Breakdown Accident occurs to Equipment Breakdown Property, if Equipment Breakdown applies to the affected premises.

- b. We will pay for loss or damage by "fungi", wet rot, dry rot, bacteria and virus. As used in this Limited Coverage, the term loss or damage means:

- (1) Direct physical loss or direct physical damage to Covered Property caused by "fungi", wet rot, dry rot, bacteria or virus, including the cost of removal of the "fungi", wet rot, dry rot, bacteria or virus;
- (2) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot, dry rot, bacteria or virus; and
- (3) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot, dry rot, bacteria or virus are present.

- c. Unless a higher Limit of Insurance is shown in the Declarations for Limited "Fungi", Bacteria or Virus Coverage, the coverage described under this Limited Coverage is no more than the Limit of Insurance stated in the Declarations for Building and Business Personal Property, but not greater than \$50,000.

If form SS 04 41, Computers and Media, and form SS 04 45, Personal Property of Others, are made a part of this policy, then the Limits of Insurance for Computers and Media, and Personal Property of Others is included within this coverage limit. This coverage is made applicable to separate "scheduled premises" as described in the Declarations. Regardless of the number of claims, this limit is the most we will pay per "scheduled premises" for the total of all loss or damage arising out of all

- (1) occurrences of "specified causes of loss" (other than fire or lightning); and

- (2) Equipment Breakdown Accident that occurs to Equipment Breakdown Property;

which take place in a 12-month period (starting with the beginning of the present annual policy period).

With respect to a particular occurrence of loss which results in "fungi", wet or dry rot, bacteria or virus, we will not pay more than the total of \$50,000 unless a higher Limit of Insurance is shown in the Declarations, even if the "fungi", wet or dry rot, bacteria, or virus continues to be present or active, or recurs, in a later policy period.

- d. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet rot, dry rot, bacteria or virus, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungi", wet rot, dry rot, bacteria or virus, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet or dry rot, bacteria or virus causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

- e. The terms of this Limited Coverage do not increase or reduce the coverage for Water Damage provided under provision B.1.h., **Exclusion – Water Damage** of the Standard Property Coverage Form or Additional Coverage provision A.5.n., **Water Damage, Other Liquid, Powder or Molten Material Damage** of the Special Property Coverage Form.

- f. The following applies only if a Time Element Coverage applies to the "scheduled premises" and only if the suspension of "operations" satisfies all the terms and conditions of the applicable Time Element Coverage.

- (1) If the loss which resulted in "fungi", wet or dry rot, bacteria or virus does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to

property caused by "fungi", wet or dry rot, bacteria or virus, then our payment under the Time Element Coverage is limited to the amount of loss and expense sustained in a period of not more than 30 days unless another number of days is indicated in the Declarations. The days need not be consecutive. If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet or dry rot, bacteria or virus, but remediation of "fungi", wet or dry rot, bacteria or virus prolongs the "period of restoration", we will pay for loss and expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days unless another number of days is indicated in the Declarations. The days need not be consecutive.

**C. Fungi Definition**

1. **"Fungi"** means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TENANT'S LEGAL LIABILITY COVERAGE**

This endorsement modifies insurance provided under the following:

### **BUSINESS LIABILITY COVERAGE FORM**

- A.** The final paragraph of Section **B. Exclusions**, paragraph **1. Applicable to Business Liability Coverage** is deleted and replaced by the following:

Exclusions **c., d., e., g., h., and k. through o.** do not apply to "property damage" at the premises shown in the Declarations for Tenant's Legal Liability Coverage which are rented to you or temporarily occupied by you with the permission of the owner.
- B.** Paragraph **3. Each Occurrence Limit** (Section **D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE**) is deleted and replaced by the following with respect to the premises shown in the Declarations for Tenant's Legal Liability Coverage:

**3.** Subject to paragraph **2.** above, the most we will pay under this endorsement for the sum of all damages because of all "property damage" arising out of any one "occurrence" to premises while rented to you or temporarily occupied by you with the permission of the owner is the Tenant's Legal Liability Coverage Limit shown in the Declarations.
- C.** With respect to the premises shown in the Declarations for Tenant's Legal Liability Coverage, paragraph **5.** of Section **D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE** is deleted.
- D.** With respect to the premises shown in the Declarations for Tenant's Legal Liability Coverage, the final paragraph of paragraph **2.b.** of Section **D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE** is deleted.



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## **IDENTITY RECOVERY COVERAGE FOR BUSINESSOWNERS AND EMPLOYEES**

### **IDENTITY THEFT CASE MANAGEMENT SERVICE AND EXPENSE REIMBURSEMENT**

This endorsement modifies insurance provided under the following:

#### **SPECIAL PROPERTY COVERAGE FORM**

- A.** The following is added to paragraph 5. Additional Coverages (Section A. - Coverage):

#### **IDENTITY RECOVERY COVERAGE**

We will provide the Case Management Service and Expense Reimbursement Coverage indicated below if all of the following requirements are met:

1. There has been an "identity theft" involving the personal identity of an "identity recovery insured" under this policy; and
2. Such "identity theft" is first discovered by the "identity recovery insured" during the policy period for which this Identity Recovery coverage is applicable; and
3. Such "identity theft" is reported to us as soon as practicable but in no event later than 60 days after it is first discovered by the "identity recovery insured."

If all three of the requirements listed above have been met, then we will provide the following to the "identity recovery insured":

#### **1. Case Management Service**

Services of an "identity recovery case manager" as needed to respond to the "identity theft"; and

#### **2. Expense Reimbursement**

Reimbursement of necessary and reasonable "identity recovery expenses" incurred as a direct result of the "identity theft."

This coverage is additional insurance.

- B.** The following additional exclusions are added to Section B. - Exclusions and apply to this coverage:

#### **EXCLUSIONS**

We do not cover loss or expense arising from any of the following:

1. Theft of a professional or business identity.
2. Any fraudulent, dishonest or criminal act by an "identity recovery insured" or any person aiding or abetting an "identity recovery insured", or by any authorized representative of an "identity recovery insured", whether acting alone or in collusion with others. However, this exclusion shall not apply to the interests of an "insured" who has no knowledge of or involvement in such fraud, dishonesty or criminal act.
3. Loss other than "identity recovery expenses".
4. An "identity theft" that is first discovered by the "identity recovery insured" prior to or after the policy period for which this coverage applies. This exclusion applies whether or not such "identity theft" began or continued during the period of coverage.
5. An "identity theft" that is not reported to us within 60 days after it is first discovered by the "identity recovery insured."
6. An "identity theft" that is not reported in writing to the police.

**C. LIMITS OF INSURANCE**

1. Case Management Service is available as needed for any one "identity theft" for up to 12 consecutive months from the inception of the service. Expenses we incur to provide Case Management Service do not reduce the amount of limit available for Expense Reimbursement coverage.
2. Expense Reimbursement coverage is subject to a limit of \$15,000 annual aggregate per "identity recovery insured." Regardless of the number of claims, this limit is the most we will pay for the total of all loss or expense arising out of all "identity thefts" to any one "identity recovery insured" which are first discovered by the "identity recovery insured" during a 12-month period starting with the beginning of the present annual policy period. If an "identity theft" is first discovered in one policy period and continues into other policy periods, all loss and expense arising from such "identity theft" will be subject to the aggregate limit applicable to the policy period when the "identity theft" was first discovered.
  - a. Legal costs as provided under paragraph d. of the definition of "identity recovery expenses" are part of, and not in addition to, the Expense Reimbursement coverage limit.
  - b. Lost Wages and Child and Elder Care Expenses as provided under paragraphs e. and f. of the definition of "identity recovery" are jointly subject to a sublimit of \$250 per day, not to exceed \$5,000 in total. This sublimit is part of, and not in addition to, the Expense Reimbursement coverage limit. Coverage is limited to lost wages and expenses incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured".
  - c. Mental Health Counseling as provided under paragraph g. of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expense Reimbursement coverage limit. Coverage is limited to counseling that takes place within 12 months after the first discovery of the "identity theft" by the "identity recovery insured".

**D. DEDUCTIBLE**

Case Management Service is not subject to a deductible.

Expense Reimbursement coverage is subject to a deductible of \$250. Any one "identity recovery insured" shall be responsible for only one deductible under this Identity Recovery Coverage during any one policy period.

- E. The following additional conditions are added to Section F. - Property General Conditions and apply to this coverage:

**CONDITIONS****1. Assistance and Claims**

For assistance, the "identity recovery insured" should call the **Identity Recovery Help Line at 1-866-989-2905**.

The **Identity Recovery Help Line** can provide the "identity recovery insured" with:

- a. Information and advice for how to respond to a possible "identity theft"; and
- b. Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

In some cases, we may provide Case Management services at our expense to an "identity recovery insured" prior to a determination that a covered "identity theft" has occurred. Our provision of such services is not an admission of liability under the policy. We reserve the right to deny further coverage or service if, after investigation, we determine that a covered "identity theft" has not occurred.

As respects Expense Reimbursement Coverage, the "identity recovery insured" must send to us, within 60 days after our request, receipts, bills or other records that support his or her claim for "identity recovery expenses."

**2. Services**

The following conditions apply as respects any services provided by us or our designees to any "identity recovery insured" under this endorsement:

- a. Our ability to provide helpful services in the event of an "identity theft" depends on the cooperation, permission and assistance of the "identity recovery insured."
- b. All services may not be available or applicable to all individuals. For example, "identity recovery insureds" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in United States and Puerto Rico in accordance with local conditions.
- c. We do not warrant or guarantee that our services will end or eliminate all problems associated with an "identity theft" or prevent future "identity thefts."



- F. With respect to the provisions of this endorsement only, the following definitions are added to Section G. - Property Definitions:

#### DEFINITIONS

1. "Identity Recovery Case Manager" means one or more individuals assigned by us to assist an "identity recovery insured" with communications we deem necessary for re-establishing the integrity of the personal identity of the "identity recovery insured." This includes, with the permission and cooperation of the "identity recovery insured," written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.
2. "Identity Theft" means the fraudulent use of the social security number or other method of identifying an "identity recovery insured." This includes fraudulently using the personal identity of an "identity recovery insured" to establish credit accounts, secure loans, enter into contracts or commit crimes.  
 "Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.
3. "Identity Recovery Expenses" means the following when they are reasonable and necessary expenses that are incurred in the United States or Canada as a direct result of an "identity theft":
  - a. Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an "identity theft."
  - b. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of your efforts to report an "identity theft" or amend or rectify records as to your true name or identity as a result of an "identity theft."
  - c. Costs for up to twelve (12) credit reports from established credit bureaus dated within 12 months after your knowledge or discovery of an "identity theft."
  - d. Legal Costs  
 Fees and expenses for an attorney approved by us for:
    - (1) Defending any civil suit brought against an "identity recovery insured" by a creditor or collection agency or entity acting on behalf of a creditor for non-payment of goods or services or default on a loan as a result of an "identity theft"; and

- (2) Removing any civil judgment wrongfully entered against an "identity recovery insured" as a result of the "identity theft."

#### e. Lost Wages

Actual lost wages of the "identity recovery insured" for time reasonably and necessarily take away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.

#### f. Child and Elder Care Expenses

Actual costs for supervision of children or elderly or infirm relatives or dependents of the "identity recovery insured" during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured".

#### g. Mental Health Counseling

Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured".

#### 4. "Identity Recovery Insured" means the following:

- a. A full time employee of the entity insured under this policy; or
- b. The owner of the entity insured under this policy who meets any of the following criteria:
  - (1) A sole proprietor of the insured entity;
  - (2) A partner in the insured entity; or
  - (3) An individual having an ownership position of 20% or more of the insured entity.

An "identity recovery insured" must always be an individual person. The entity insured under this policy is not an "identity recovery insured."

All other provisions of this policy apply.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **BUILDING LIMIT- AUTOMATIC INCREASE REVISION**

This endorsement modifies insurance provided under the following:

**SPECIAL PROPERTY COVERAGE FORM  
STANDARD PROPERTY COVERAGE FORM**

Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

**A. Paragraph C.5 Building Limit-Automatic Increase of the SPECIAL PROPERTY COVERAGE FORM or STANDARD PROPERTY COVERAGE FORM is deleted.**

**B. The following is added to Additional Coverages, paragraph A.5 of the SPECIAL PROPERTY COVERAGE FORM or paragraph A.4. of the STANDARD PROPERTY COVERAGE FORM:**

**Building Limit - Automatic Increase**

- a. If the covered loss or damage to Building property at a "scheduled premises" exceeds the Limit of Insurance stated in the Declarations, the Limit of Insurance available for the covered loss or damage in that occurrence will automatically increase by up to 8%.
- b. The amount of increase will be:
  - (1) The Limit of Insurance for Buildings that applied on the most recent of the policy inception date, policy anniversary date, or the date of any other policy change amending the Building limit, multiplied by
  - (2) The 8% annualized percentage of Automatic Increase, expressed as a decimal (08), multiplied by

- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance for Buildings, divided by 365.

Example:

The applicable Limit of Insurance for Buildings is \$100,000. The automatic increase percentage is 8%. The number of days since the beginning of the policy period (or last policy change) is 146.

The amount of increase is:

$\$100,000 \times .08 \times 146 \text{ divided by } 365 = \$3,200$



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AMENDMENT - DEFINITION OF INSURED CONTRACT**

This endorsement modifies insurance provided under the following:

### **BUSINESS LIABILITY COVERAGE FORM**

Paragraph f. of the definition of "insured contract" in the **Liability And Medical Expenses Definitions** Section is replaced by the following:

- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. includes that part of any contract or agreement that indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.

However, Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports surveys, field orders, change orders, designs or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (1) above and supervisory, inspection, architectural or engineering activities.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FOOD CONTAMINATION COVERAGE**

This endorsement modifies insurance provided under the following:

### **STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM**

This coverage applies only when it is indicated in the Declarations. The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

This insurance applies only when Business Income and Extra Expense Additional Coverage is included in the policy.

#### **A. COVERAGE**

We will pay the actual loss of Business Income and Extra Expense if your "operations" at any "scheduled premises" are ordered by a government authority to be suspended due to the discovery of or the suspicion of "food contamination".

"Food Contamination" means the incidence of food poisoning to one or more of your patrons that is caused by or results from tainted food you purchased, improperly stored, handled or prepared, or a communicable disease that was transmitted by you or one or more of your employees.

Extra Expense coverage is limited to the following:

1. The cost to clean and sanitize your equipment as required by the government authority;
2. The cost to replace food which is or is suspected of being contaminated; and
3. The cost of necessary medical tests or inoculations for your employees to prevent the spread of identified or suspected communicable diseases to your patrons through the ingestion of your food product.

Coverage begins at the time you were notified by the government authority to suspend your "operations" at a "scheduled premises" and ends with the notification to resume "operations" at that same "scheduled premises" from the same government authority.

#### **B. ADDITIONAL COVERAGE**

We will pay up to \$2,500 for the cost of advertising to regain customers following the notification to resume "operations" at that same "scheduled premises" by the same government authority.

This coverage ends 30 days after the government authority provides you with the notification to resume "operations" at that same "scheduled premises".

#### **C. LIMIT OF INSURANCE**

The most we will pay under this Additional Coverage, regardless of the number of patrons or locations involved in any one order by a governmental authority, is the Limit of Insurance shown in the Declarations for Food Contamination Coverage.

#### **D. EXCLUSIONS**

We will not pay any fines or penalties levied against you by the government authority as the result of the order of suspension due to the discovery of or the suspicion of "food contamination" at your "scheduled premises".



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - PLAYGROUND FACILITY**

This endorsement modifies insurance provided under the following:

### **BUSINESS LIABILITY COVERAGE FORM**

- A.** This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the:
1. Ownership;
  2. Maintenance;
  3. Operation; or
  4. Use,
- of any "playground facility".
- B.** Additional Definition:
- "Playground facility" means an area designated for recreational activities specifically set aside for children. Such an area is usually equipped with recreational equipment including, but not limited to:
1. Swings;
  2. Slides; and
  3. Merry-go-rounds.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - NUCLEAR ENERGY LIABILITY**

1. This insurance does not apply:
  - a. To any injury or damage:
    - (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
    - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
      - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
      - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
  - b. Under any Medical Payments or Medical Expenses Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
  - c. To any injury or damage resulting from the "hazardous properties" of "nuclear material"; if:
    - (1) The "nuclear material":
      - (a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
      - (b) Has been discharged or dispersed therefrom;
    - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
  - (3) The injury or damage arises out of the furnishing by any insured of any "technology services" in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; or
  - (4) The injury or damage arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (4) applies only to "property damage" to such "nuclear facility" and any property thereat.
2. As used in this exclusion:
  - a. "Byproduct material", "source material" and "special nuclear material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
  - b. "Computer system and network" means:
    - (1) Leased or owned computer hardware including mobile, networked, and data storage computing equipment;
    - (2) Owned or licensed software;
    - (3) Owned websites;
    - (4) Leased or owned wireless input and output devices; and
    - (5) Electronic backup facilities and data storage repositories employed in conjunction with items 1 through 4 above.
  - c. "Hazardous properties" include radioactive, toxic or explosive properties.
  - d. "Nuclear facility" means:
    - (1) Any "nuclear reactor";
    - (2) Any equipment or device designed or used for:
      - (a) Separating the isotopes of uranium or plutonium;
      - (b) Processing or utilizing "spent fuel"; or
      - (c) Handling, processing or packaging "waste";

(3) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

- e. "Nuclear material" means "byproduct material", "source material" or "special nuclear material".
- f. "Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
- g. Injury or damage and "property damage" include all forms of radioactive contamination of property.
- h. "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".
- i. "Technology services" means:
  - 1. the following services performed for others:
    - a. Consulting, analysis, design, installation, training, maintenance, support and repair of or on: software, wireless applications, firmware, shareware, networks, systems, hardware, devices or components;

- b. Integration of systems;
  - c. Processing of, management of, mining or warehousing of data;
  - d. Administration, management, operation or hosting of: another party's systems, technology or computer facilities;
  - e. Website development; website hosting;
  - f. Internet access services; intranet, extranet or electronic information connectivity services; software application connectivity services;
  - g. Manufacture, sale, licensing, distribution, or marketing of: software, wireless applications, firmware, shareware, networks, systems, hardware, devices or components;
  - h. Design and development of: code, software or programming;
  - i. Providing software application: services, rental or leasing;
  - j. Screening, selection, recruitment or placement of candidates for temporary or permanent employment by others as information technology professionals;
  - k. "Telecommunication services"; and
  - l. "Telecommunication products".
- 2. web-related software and connectivity services performed for others; and
  - 3. activities on the "named insured's" "computer system and network".



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - UNMANNED AIRCRAFT (PROPERTY)**

This endorsement modifies insurance provided under the following:

### **SPECIAL PROPERTY COVERAGE FORM**

Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

#### **A. COVERAGE**

Paragraph **A.2., Property Not Covered**, Subparagraph a. is deleted and replaced with the following:

- a. Aircraft (including "unmanned aircraft"), automobiles, motor trucks and other vehicles subject to motor vehicle registration.

#### **C. DEFINITIONS**

The following changes are made to Section G., **PROPERTY DEFINITIONS**:

1. The following definition is added:

"Unmanned aircraft" means an aircraft that is not:

- a. Designed;
- b. Manufactured; or
- c. Modified after manufacture

to be controlled directly by a person from within or on the aircraft and which is owned by you or owned by others but in your care, custody, or control.

"Unmanned aircraft" includes equipment designed for and used exclusively with the "unmanned aircraft", provided such equipment is essential for operation of the "unmanned aircraft" or for executing "unmanned aircraft operations".

2. The following definition is added:

"Unmanned aircraft operations" means your business activities in support of the specific operations listed in the Description of Business section of the Declarations.





**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – FUNGI AND BACTERIA (MASSACHUSETTS)**

This endorsement modifies insurance provided under the following:

**BUSINESS LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM**

This insurance does not apply to:

1. Injury or damage arising out of or related to the presence of, suspected presence of, or exposure to:
  - a. Fungi;
  - b. Bacteria; or
  - c. Spores, odors, particulates, byproducts, mycotoxins or endotoxins resulting from any of the organisms listed in a. or b. above;That are on or within a building, from any source whatsoever.
2. Any loss, cost or expense arising out of the testing for, monitoring of, cleaning up of, removal of, containment of, treatment of, detoxification of, neutralization of, remediation of, disposal of, or any other response to or assessment of, the effects of any of the items in 1.a., b. or c. above, from any source whatsoever.

However, this exclusion does not apply to "bodily injury" or "property damage" caused by the ingestion of food.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

**BUSINESS LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM  
SPECIAL PROPERTY COVERAGE FORM  
STANDARD PROPERTY COVERAGE FORM  
UMBRELLA LIABILITY PROVISIONS**

### **A. Disclosure Of Federal Share Of Terrorism Losses**

The United States Department of the Treasury will reimburse insurers for a portion of such insured losses, as indicated in the table below that exceeds the applicable insurer deductible:

<b>Calendar Year</b>	<b>Federal Share of Terrorism Losses</b>
<b>2015</b>	<b>85%</b>
<b>2016</b>	<b>84%</b>
<b>2017</b>	<b>83%</b>
<b>2018</b>	<b>82%</b>
<b>2019</b>	<b>81%</b>
<b>2020 or later</b>	<b>80%</b>

However, if aggregate industry insured losses, attributable to "certified acts of terrorism" under the federal Terrorism Risk Insurance Act, as amended (TRIA), exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. The United States government has not charged any premium for their participation in covering terrorism losses.

### **B. Cap On Insurer Liability for Terrorism Losses**

A "certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of federal Terrorism Risk Insurance Act, to be an act of terrorism under TRIA. The criteria contained in TRIA for a "certified act of terrorism" include the following:

1. The act results in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and

2. The act results in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of an United States mission; and
3. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate industry insured losses attributable to "certified acts of terrorism" under TRIA exceed \$100 billion in a calendar year, and we have met, or will meet, our insurer deductible under TRIA, we shall not be liable for the payment of any portion of the amount of such losses that exceed \$100 billion. In such case, your coverage for terrorism losses may be reduced on a pro-rata basis in accordance with procedures established by the Treasury, based on its estimates of aggregate industry losses and our estimate that we will exceed our insurer deductible. In accordance with the Treasury's procedures, amounts paid for losses may be subject to further adjustments based on differences between actual losses and estimates.

### **C. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, the inapplicability or omission of a terrorism exclusion, or the inclusion of terrorism coverage, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Form or Policy, such as losses excluded by the Pollution Exclusion, Nuclear Hazard Exclusion and the War And Military Action Exclusion.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

## **WAGE AND HOUR CLAIMS EXPENSES - EMPLOYMENT PRACTICES LIABILITY**

This endorsement modifies insurance provided under the following:

### **EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**

Exclusion B. in **SECTION III - EXCLUSIONS** is deleted and replaced by the following:

**B.** We shall not pay "loss" in connection with any "claim" based upon, arising from, or in any way related to:

1. any claims for unpaid wages (including overtime pay), workers' compensation benefits, unemployment compensation, disability benefits, or social security benefits;
2. any actual or alleged violation of the Worker Adjustment and Retraining Notification Act, the National Labor Relations Act, the Occupational Safety and Health Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, "ERISA", or any similar law; or
3. any "wage and hour violation".

Provided, however, that this Exclusion B. shall not apply to that portion of "loss" that represents:

- a. a specific amount the "insureds" become legally obligated to pay solely for a "wrongful act" of "retaliation"; or
- b. "Claims expenses" incurred to defend a "wage and hour violation" referenced in sub-paragraph 3. above subject to a Sub-Limit of Liability of \$ 0010000 that is part of, and not in addition to, the Limits of Liability applicable to this Coverage Part (the Wage and Hour Defense Costs Sub-Limit). Moreover:

1. SECTION VIII.I.2. of this Coverage Part notwithstanding, 100% of the "insured's" "claims expenses" covered pursuant to this sub-paragraph b. shall be allocated to covered "loss" until the Wage and Hour Defense Costs Sub-Limit is exhausted. Once the Wage and Hour Defense Costs Sub-Limit is exhausted, allocation shall continue in accordance with SECTION VIII.I.2.;
2. the Wage and Hour Defense Costs Sub-Limit is available notwithstanding the fact that a "wage and hour violation" is not an "employment practices wrongful act"; and
3. the Wage and Hour Defense Costs Sub-Limit is only available for "claim expenses" incurred to defend a "wage and hour violation" that occurred on or after the "retroactive date" and before the end of the "policy period", regardless of whether any such "claim" for a "wage and hour violation" is made during the "policy period" or the Extended Reporting Period, if applicable.

All other terms and conditions of this Coverage Part remain unchanged.

**EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM  
(CLAIMS MADE)**

## **QUICK REFERENCE**

### **EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM (CLAIMS MADE)**

#### **READ YOUR POLICY CAREFULLY**

	<b>Beginning on Page</b>
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<b>SECTION II: DEFINITIONS</b>	<b>1</b>
<b>SECTION III: EXCLUSIONS</b>	<b>5</b>
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## EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM



## EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM (CLAIMS MADE)

**NOTICE: COVERAGE PROVIDED BY THIS COVERAGE PART IS CLAIMS MADE COVERAGE. EXCEPT AS OTHERWISE SPECIFIED HEREIN: COVERAGE APPLIES ONLY TO A CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND WHICH HAS BEEN REPORTED TO US IN ACCORDANCE WITH THE APPLICABLE NOTICE PROVISIONS. COVERAGE IS SUBJECT TO THE INSURED'S PAYMENT OF THE APPLICABLE DEDUCTIBLE. PAYMENTS OF CLAIM EXPENSES ARE SUBJECT TO, AND REDUCE, THE AVAILABLE LIMITS OF LIABILITY. PLEASE READ THE COVERAGE PART CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER. UPON TERMINATION OF THIS COVERAGE PART, EXTENDED REPORTING PERIOD COVERAGE IS AVAILABLE.**

Various provisions in this policy restrict coverage. Please read the entire policy carefully to determine your rights, duties and what is and is not covered.

Throughout this Coverage Part the words you and your refer to the "Named Insured" in the Declarations. The words we, us and our refer to the stock insurance company member of THE HARTFORD shown on the Declarations Page.

Words and phrases that appear in quotation marks are defined in **SECTION II - DEFINITIONS** of this Coverage Part.

In consideration of, and subject to, the payment of the premium by you and in reliance upon the accuracy and completeness of the "application", including but not limited to the statements, attachments and exhibits contained in and submitted with the "application", we agree with you, subject to all terms, exclusions and conditions of this Coverage Part, as follows:

### SECTION I - INSURING AGREEMENT

#### Employment Practices Liability

We shall pay "loss" on behalf of the "insureds" resulting from an "employment practices claim" first made against the "Insureds" during the "policy period" or Extended Reporting Period, if applicable, for an "employment practices wrongful act" by the "insureds".

### SECTION II - DEFINITIONS

- A. "Application"** means the application for this Coverage Part, including any materials or information submitted therewith or made available to us during the underwriting process, which application shall be on file with us. Such "application" shall be deemed a part of this Coverage Part and attached hereto. In addition, "application" includes any warranty, representation or other statement provided to us within the past three years in connection with any policy or coverage part of which this Coverage Part is a renewal or replacement.
- B. "Benefits"** means perquisites, fringe benefits, deferred compensation, severance pay and any other form of compensation (other than

salaries, wages, or bonuses as a component of a front or back pay award).

- C. "Claim"** means any "employment practices claim".
- D. "Claims expenses"** means:
1. reasonable and necessary legal fees and expenses, including, but not limited to, e-discovery expenses, incurred in the defense or appeal of a "claim";
  2. "Extradition costs"; or
  3. the costs of appeal, attachment or similar bonds, provided that we shall have no obligation to furnish such bonds.

However, "claim expenses" shall not include:

- a. salaries, wages, remuneration, overhead or benefit expenses associated with any "insureds";
- b. any fees, expenses or costs which are incurred by or on behalf of a party which is not a covered "insured"; or
- c. any fees, expenses or costs which were incurred prior to the date on

**EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**

which we received written notice of the "claim" from the "insured".

- E. "Controlled partnership" means a limited partnership in which and so long as the "named insured" owns or controls, directly or indirectly, more than 50% of the limited partnership interest and an "insured entity" is the sole general partner.
- F. "Damages" means the amounts, other than "claim expenses", that the "insureds" are legally liable to pay solely as a result of a "claim" covered by this Coverage Part, including:
1. compensatory damages, including front pay and back pay;
  2. settlement amounts;
  3. pre- and post-judgment interest;
  4. costs awarded pursuant to judgments;
  5. punitive and exemplary damages;
  6. the multiple portion of any multiplied damage award; or
  7. liquidated damages under the Age Discrimination in Employment Act and the Family and Medical Leave Act.

However, "damages" shall not include:

- a. taxes, fines or penalties imposed by law;
  - b. non-monetary relief;
  - c. "Benefits";
  - d. future compensation for any person hired, promoted, or reinstated pursuant to a judgment, settlement, order or other resolution of a "claim";
  - e. "Stock benefits";
  - f. costs associated with providing any accommodations required by the Americans with Disabilities Act or any similar law; or
  - g. any other matters uninsurable pursuant to any applicable law; provided, however, that with respect to punitive and exemplary damages, or the multiple portion of any multiplied damage award, the insurability of such damages shall be governed by the internal laws of any applicable jurisdiction that most favors coverage of such damages.
- G. "Debtor in possession" means a "debtor in possession" as such term is defined in Chapter 11 of the United States Bankruptcy Code as well as any equivalent status under any similar law.

- H. "Domestic partner" means any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law or any domestic partner relationship arrangement recognized outside of the United States and under the Human Resource policy of the "insured entity".
- I. "Employee" means any natural person who was, is or shall become a(n):
1. employee of an "insured entity" including any part time, seasonal, temporary, leased, or loaned employee; or
  2. volunteer or intern with an "insured entity".
- J. "Employee data privacy wrongful act" means:
1. the failure to prevent any unauthorized access to or use of data containing "Private Employment Information" of any "Employee" or applicant for employment with the "Insured Entity" including any such failure that directly results in a violation with respect to the privacy of such "Employee's" or applicant's medical information under the Health Insurance Portability and Accountability Act (HIPAA) or credit information under the Fair Credit Reporting Act (FCRA); or
  2. the failure to notify any "employee" or applicant for employment with the "insured entity" of any actual or potential unauthorized access to or use of "private employment information" of any "employee" or applicant for employment with the "insured entity", if such notice was required by state or federal regulation or statute.
- K. "Employment practices claim" means any:
1. written demand for monetary damages or other civil non-monetary relief commenced by the receipt of such demand, including, without limitation, a written demand for employment reinstatement;
  2. civil proceeding, including an arbitration or other alternative dispute resolution proceeding, commenced by the service of a complaint, filing of a demand for arbitration, or similar pleading; or
  3. formal administrative or regulatory proceeding, including, without limitation, a proceeding before the Equal Employment Opportunity Commission or similar governmental agency, commenced by the filing of a notice of charges, formal investigative order or similar document;
- by or on behalf of an "employee", an applicant for employment with an "insured entity", or an "independent contractor".

**EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**

"Employment practices claim" also means the receipt of a notice of violation, order to show cause, or a written demand for monetary or injunctive relief that is the result of an audit conducted by the United States Office of Federal Contract Compliance Programs.

"Employment practices claim" also means a written request to the "insureds" to toll or waive a statute of limitations regarding a potential "Employment practices claim" as described above. Such "claim" shall be commenced by the receipt of such request.

However, "employment practices claim" shall not include any labor or grievance proceeding or arbitration that is subject to a collective bargaining agreement.

**L. "Employment practices wrongful act" means:**

1. wrongful dismissal, discharge, or termination of employment (including constructive dismissal, discharge, or termination), wrongful failure or refusal to employ or promote, wrongful discipline or demotion, failure to grant tenure, negligent employment evaluation, or wrongful deprivation of career opportunity;
2. sexual or other workplace harassment, including bullying in the workplace, quid pro quo and hostile work environment;
3. employment discrimination, including discrimination based upon age, gender, race, color, creed, marital status, sexual orientation or preference, gender identity or expression, genetic makeup, or refusal to submit to genetic makeup testing, pregnancy, disability, HIV or other health status, Vietnam Era Veteran or other military status, or other protected status established under federal, state, or local law;
4. "Retaliation";
5. breach of any oral, written, or implied employment contract, including, without limitation, any obligation arising from a personnel manual, employee handbook, or policy statement; or
6. violation of the Family and Medical Leave Act.

"Employment practices wrongful act" also means the following, but only when alleged in addition to or as part of any "employment practices wrongful act" described above:

- a. employment-related wrongful infliction of mental anguish or emotional distress;

- b. failure to create, provide for or enforce adequate or consistent employment-related policies and procedures;
- c. negligent retention, supervision, hiring or training;
- d. employment-related invasion of privacy, defamation, or misrepresentation; or
- e. an "employee data privacy wrongful act".

**M. "ERISA" means the Employee Retirement Income Security Act of 1974.**

**N. "Extradition costs" means reasonable and necessary fees and expenses directly resulting from a "claim" in which an "insured person" lawfully opposes, challenges, resists or defends against any request for the extradition of such "insured person" from his or her current country of employ and domicile to any other country for trial or otherwise to answer any criminal accusation, including the appeal of any order or other grant of extradition of such "insured person".**

**O. "Financial insolvency" means the status of an "insured entity" as a result of:**

1. the appointment of any conservator, liquidator, receiver, rehabilitator, trustee, or similar official to control, supervise, manage or liquidate such "insured entity"; or
2. such "insured entity" becoming a "debtor in possession".

**P. "Independent contractor" means any natural person working in the capacity of an independent contractor pursuant to an "independent contractor agreement".**

**Q. "Independent contractor agreement" means any express contract or agreement between an "independent contractor" and an "insured entity" specifying the terms of the "insured entity's" engagement of such "independent contractor".**

**R. "Insured entity" means:**

1. the "named insured"; or
2. any "subsidiary".

"Insured entity" shall include any such entity as a "debtor in possession".

"Insured entity" shall also include any such entity in its capacity as a general partner of a "controlled partnership".

**S. "Insured person" means any:**

1. "Employee";
2. "Manager"; or



**EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**

3. regarding the Employment Practices Liability Insuring Agreement, an "independent contractor" provided that within 30 days of an "employment practices claim" having been made against such "independent contractor" that the "insured entity" agrees in writing to indemnify such "independent contractor" for any "loss" arising out of such "claim".
- T.** "Insureds" means any:
1. "Insured entity"; or
  2. "Insured person".
- U.** "Interrelated wrongful acts" means "wrongful acts" that have as a common nexus any fact, circumstance, situation, event, transaction, goal, motive, methodology, or cause or series of causally connected facts, circumstances, situations, events, transactions, goals, motives, methodologies or causes.
- V.** "Loss" means "claim expenses" and "damages".
- W.** "Manager" means any natural person who was, is or shall become a(n):
1. duly elected or appointed director, advisory director, board observer, advisory board member, officer, member of the board of managers or management committee member of an "insured entity";
  2. "Employee" in his/her capacity as legal counsel to an "insured entity"; or
  3. executive of an "insured entity" created outside the United States to the extent that such executive holds a position equivalent to those described in 1. or 2. above.
- X.** "Named insured" means the individuals, partnerships or corporations designated in the Declarations.
- Y.** "Notice manager" means the natural persons in the offices of the chief executive officer, chief financial officer, general counsel, risk manager, human resources manager or any equivalent position to the foregoing, of an "Insured Entity".
- Z.** "Policy period" means the period from the Effective Date to the Expiration Date set forth in the Declarations or any earlier cancellation date.
- AA.** "Private employment information" means any information regarding an "employee" or applicant for employment with the "insured entity", which is collected or stored by an "insured" for the purposes of establishing, maintaining or terminating an employment relationship.
- BB.** "Retaliation" means adverse treatment of an "employee" or "independent contractor" based upon such person:
1. exercising any rights under law, including, without limitation, rights under any workers compensation laws, the Family and Medical Leave Act, "ERISA", or the Americans with Disabilities Act;
  2. refusing to violate any law;
  3. assisting, testifying, or cooperating with a proceeding or investigation regarding alleged violations of law by any "insured";
  4. disclosing or threatening to disclose alleged violations of law to a superior or to any governmental agency; or
  5. filing any *whistle blower* claim against any "insured" under the federal False Claims Act, the Sarbanes-Oxley Act of 2002, or any similar law.
- CC.** "Stock benefits" means any offering, plan or agreement between an "insured entity" and any "employee" that grants stock, stock options or stock appreciation rights in the "insured entity" to such person, including, without limitation, restricted stock or any other stock grant. "Stock benefits" shall not include employee stock ownership plans or employee stock purchase plans.
- DD.** "Subsidiary" means any:
1. corporation in which and so long as the "named insured" owns or controls, directly or indirectly, more than 50% of the outstanding securities representing the right to vote for the election of the board of directors of such corporation;
  2. limited liability company in which and so long as the "named insured" owns or controls, directly or indirectly, the right to elect, appoint or designate more than 50% of such entity's managing members;
  3. a "controlled partnership";
  4. corporation operated as a joint venture in which and so long as the "named insured" owns or controls, directly or indirectly, exactly 50% of the issued and outstanding voting stock and which, pursuant to a written agreement with the owner(s) of the remaining issued and outstanding voting stock of such corporation, the "named insured" solely controls the management and operation of such corporation; or
  5. foundation, charitable trust or political action committee in which and so long as such entity or organization is controlled by the "named insured" or any "subsidiary" as defined in 1. through 4. above.

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EE. "Wage and hour violation" means any actual or alleged violation of the duties and responsibilities that are imposed upon an "insured" by any federal, state or local law or regulation anywhere in the world, including but not limited to the Fair Labor Standards Act or any similar law (except the Equal Pay Act), which govern wage, hour and payroll practices. Such practices include but are not limited to:

1. the calculation and payment of wages, overtime wages, minimum wages and prevailing wage rates;
2. the calculation and payments of benefits;
3. the classification of any person or organization for wage and hour purposes;
4. reimbursing business expenses;
5. the use of child labor; or
6. garnishments, withholdings and other deductions from wages.

FF. "Wrongful act" means any actual or alleged "employment practices wrongful act".

**SECTION III - EXCLUSIONS****A. We shall not pay "Loss":**

1. for bodily injury, sickness, disease, death, false arrest or imprisonment, abuse of process, malicious prosecution, trespass, nuisance or wrongful entry or eviction, or for injury to or destruction of any tangible property including loss of use or diminution of value thereof; provided, however, that this exclusion shall not apply to that portion of "loss" that directly results from mental anguish or emotional distress when alleged in connection with an otherwise covered "employment practices wrongful act";
2. for any actual or alleged "wrongful act" by "insured persons" of any "subsidiary" in their capacities as such, or by any "subsidiary", if such "wrongful act" actually or allegedly occurred when such entity was not a "subsidiary";
3. in connection with any "claim" based upon, arising from, or in any way related to any:
  - a. prior or pending demand, suit, or proceeding against any "insured" as of, or
  - b. audit initiated by the United States Office of Federal Contract Compliance Programs before,

the effective date of the first Employment Practices Liability Coverage Part issued and continuously renewed by us, or the same or substantially similar fact, circumstance, or situation underlying or alleged in such demand, suit, proceeding, or audit;

4. in connection with any "claim" based upon, arising from, or in any way related to any fact, circumstance, or situation that, before the Effective Date in the Declarations, was the subject of any notice given under any other employment practices liability policy, management liability policy or other insurance policy which insures "wrongful acts" covered under this Coverage Part;
5. in connection with any "claim" based upon, arising from, or in any way related to the liability of others assumed by an "insured" under any contract or agreement; provided, however, this exclusion shall not apply to liability that would have been incurred in the absence of such contract or agreement;
6. for breach of any "independent contractor agreement"; or
7. for a lockout, strike, picket line, hiring of replacement workers or similar action in connection with any labor dispute, labor negotiation or collective bargaining agreement.

**B. We shall not pay "loss" in connection with any "claim" based upon, arising from, or in any way related to:**

1. any claims for unpaid wages (including overtime pay), workers' compensation benefits, unemployment compensation, disability benefits, or social security benefits;
2. any actual or alleged violation of the Worker Adjustment and Retraining Notification Act, the National Labor Relations Act, the Occupational Safety and Health Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, "ERISA", or any similar law; or
3. any "wage and hour Violation"

Provided, however, that this exclusion B. shall not apply to that portion of "loss" that represents a specific amount the "insureds" become legally obligated to pay solely for a "wrongful act" of "retaliation".

**C. We shall not pay "loss" in connection with any "claim" based upon, arising from, or in any way related to liability incurred for breach of any oral, written, or implied employment contract; provided, however, that this exclusion shall not apply to liability that would have been incurred in the absence of such contract nor shall it apply to the portion of "loss" representing "claim expenses" incurred to defend against such liability.**

**EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM****SECTION IV - DISCOVERY CLAUSE**

If, during the "policy period", the "insureds" become aware of a "wrongful act" that may reasonably be expected to give rise to a "claim", and, if written notice of such "wrongful act" is given to us during the "policy period", including the reasons for anticipating such a "claim", the nature and date of the "wrongful act", the identity of the "insureds" allegedly involved, the alleged injuries or damages sustained, the names of potential claimants, and the manner in which the "insureds" first became aware of the "wrongful act", then any "claim" subsequently arising from such "wrongful act" shall be deemed to be a "claim" first made during the "policy period" on the date that we receive the above notice.

**SECTION V - EXTENDED REPORTING PERIOD**

Subject to provisions A. through G. below, if this Coverage Part is canceled or non-renewed other than for non-payment of premium, you shall have the right to purchase an extended period to report "claims" under this Coverage Part for any "claim" first made during the period of time set forth in the Supplemental Extended Reporting Period Endorsement, and following the effective date of such cancellation or nonrenewal and reported in writing during such period or within sixty (60) days thereafter, but only with respect to any "wrongful act" which takes place prior to the effective date of such cancellation or nonrenewal.

- A. The Extended Reporting Period shall be effective only upon the payment of an additional premium. The additional premium will be 200% of the annual advance premium for this coverage. At the commencement of the Extended Reporting Period, the entire premium thereof shall be deemed fully earned and non-refundable.
- B. The quotation of a different premium or deductible or limit of liability for renewal is not a cancellation or refusal to renew for the purposes of this provision.
- C. You shall have no right to purchase the Extended Reporting Period, unless you have satisfied all conditions of the Coverage Part and all premiums and deductibles outstanding have been paid.
- D. Your right to purchase the Extended Reporting Period shall terminate unless written notice together with full payment of the premium for the Extended Reporting Period is given to us no later than sixty (60) days following the effective date of cancellation or nonrenewal.
- E. The fact that the period of time to report "claims" is extended by virtue of the Extended Reporting Period shall not increase or reinstate the Limit of Liability stated in the Declarations.

- F. Extended Reporting Periods do not extend the "policy period" or change the scope of coverage provided. They apply only to "wrongful acts" that occur before the end of the "policy period".

"Claims" for such injury which are first received within sixty (60) days after the "policy period", or during the Extended Reporting Period if in effect, will be deemed to have been made on the last date of the "policy period".

- G. Once in effect, Extended Reporting Periods may not be canceled by us.

**SECTION VI - COVERAGE TERRITORY**

Coverage under this Coverage Part applies worldwide, provided that the "claim" is made and any legal action is pursued within the United States, its territories, possessions or commonwealths, or Canada.

**SECTION VII - LIMITS OF LIABILITY AND DEDUCTIBLE**

- A. The maximum we will pay for each "claim" under this Coverage Part is the Each Claim Limit of Liability stated in the Declarations, subject to the Annual Aggregate Limit of Liability stated in the Declarations.

The maximum we will pay for all "claims" under this Coverage Part is the Annual Aggregate Limit of Liability stated in the Declarations, regardless of the number of "claims".

If the applicable Limit of Liability for this Coverage Part is exhausted, the premium for this Coverage Part shall be deemed fully earned. "Claim expenses" shall be part of, and not in addition to, the Limits of Liability. Payment of "claim expenses" by us shall reduce each Limit of Liability.

- B. We shall pay "loss" in excess of the Deductible applicable to each "claim" as specified on the Declarations.
- C. All Deductibles shall be borne by the "insureds" at their own risk; they shall not be insured.
- D. The Deductible shall apply to "claim expenses" covered hereunder. If, any "claim expenses" are incurred by us prior to the "insureds" complete payment of the Deductible, then the "insureds" shall reimburse us therefor upon our request.
- E. No Deductible shall apply to "loss" incurred by any "insured person" that an "insured entity" is not permitted by common or statutory law to indemnify, or is permitted or required to indemnify, but is not able to do so by reason of "financial insolvency".

**EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**

F. If an "insured entity" is permitted or required by common or statutory law to indemnify an "insured person" for any "loss", or to advance "claim expenses" on their behalf, and does not do so other than because of "financial insolvency", then such "insured entity" and the "named insured" shall reimburse and hold us harmless for our payment or advancement of such "loss" up to the amount of the Deductible that would have applied if such indemnification had been made.

G. If a "subsidiary" is unable to indemnify an "insured person" for any "loss", or to advance "claim expenses" on their behalf, because of "financial insolvency", then the "named insured" shall reimburse and hold us harmless for our payment or advancement of such "loss" up to the amount of the applicable Deductible that would have applied if such indemnification had been made.

The Limit of Liability for this Coverage Part applies separately to each consecutive annual period and to any remaining period of less than twelve (12) months starting with the beginning of the "policy period" shown in the Declarations, unless the "policy period" is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Liability.

**SECTION VIII - DUTIES IN THE EVENT OF CLAIM; DEFENSE AND SETTLEMENT**

A. We shall have the right and duty to defend "claims" covered under this Coverage Part, even if such "claim" is groundless, false or fraudulent, provided that:

1. the "insureds" give notice to us in accordance with the applicable notice provisions; and
2. such "claim" does not involve allegations, in whole or in part, of a "wage and hour violation".

For any "claim" involving allegations, in whole or in part, of a "wage and hour violation", it shall be the duty of the "insureds", and not our duty, to defend such "claim".

B. If we have the duty to defend a "claim", our duty to defend such "claim" shall cease upon exhaustion of any applicable Limit of Liability.

C. The "insureds" shall not admit or assume any liability, make any settlement offer or enter into any settlement agreement, stipulate to any judgment, or incur any "claim expenses" regarding any "claim" without our prior written consent, such consent not to be unreasonably withheld. We shall not be liable for any

admission, assumption, settlement offer or agreement, stipulation, or "claim expenses" to which we have not consented.

D. We shall have the right to associate ourself in the defense and settlement of any "claim" that appears reasonably likely to involve this Coverage Part. We may make any investigation we deem appropriate in connection with any "claim". We may, with the written consent of the "insureds", settle any "claim" for a monetary amount that we deem reasonable.

E. The "insureds" shall give to us all information and cooperation as we may reasonably request. However, if we are, in our sole discretion, able to determine coverage for cooperating "insureds", the failure of one "insured person" to cooperate with us shall not impact coverage provided to cooperating "insureds".

F. With respect to a covered "claim" for which we do not have the duty to defend, we shall advance "claim expenses" in accordance with Section VIII I. that we believe to be covered under this Coverage Part until a different allocation is negotiated, arbitrated or judicially determined.

**G. Required Notice to Us**

As a condition precedent to coverage under this Coverage Part, the "insureds" shall give us written notice of any "claim" as soon as practicable after a "notice manager" becomes aware of such "claim", but in no event later than:

1. if this Coverage Part expires or is otherwise terminated without being renewed with us, ninety (90) days after the effective date of said expiration or termination; or
2. subject to **SECTION V**, the expiration of the Extended Reporting Period, if applicable;

provided, however, that if the Coverage Part is cancelled for non-payment of premium, the "insured" will give us written notice of such "claim", prior to the effective date of cancellation.

However, with regard to any "employment practices claim" which is brought as a formal administrative or regulatory proceeding, including, without limitation, a proceeding before the Equal Employment Opportunity Commission or similar governmental agency, commenced by the filing of a notice of charges, formal investigative order or similar document, as a condition precedent to coverage under this Coverage Part the

**EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**

"insureds" shall give us written notice of any "claim" as soon as practicable after a "notice manager" becomes aware of such "claim", but in no event later than:

3. if this Coverage Part is renewed, no more than 180 days after a "notice manager" becomes aware of such "claim"; or
4. if this Coverage Part expires or is otherwise terminated without being renewed with us, ninety (90) days after the effective date of said expiration or termination; or
5. subject to **SECTION V**, the expiration of the Extended Reporting Period, if applicable;

provided, if the Coverage Part is cancelled for non-payment of premium, the "insured" will give us written notice of such "claim", prior to the effective date of cancellation.

**H. Subrogation**

1. We shall be subrogated to all of the "insureds'" rights of recovery regarding any payment of "loss" by us under this Coverage Part. The "insureds" shall execute all papers required and do everything necessary to secure and preserve such rights, including the execution of any documents necessary to enable us to effectively bring suit in the name of the "insureds". The "insureds" shall do nothing to prejudice our position or any potential or actual rights of recovery.
2. We shall not exercise our rights of subrogation against an "insured person" under this Coverage Part unless such "insured person" has:
  - a. obtained any personal profit, remuneration or advantage to which such "insured person" was not legally entitled, or
  - b. committed a criminal or deliberately fraudulent act or omission or any willful violation of law,
 if a judgment or other final adjudication establishes such personal profit, remuneration, advantage, act, omission, or violation.

**I. Allocation**

Where "insureds" who are afforded coverage for a "claim" incur an amount consisting of both "loss" that is covered by this Coverage Part and also loss that is not covered by this Coverage Part, because such "claim" includes both covered and uncovered matters, then coverage shall apply as follows:

1. with respect to a covered "claim" for which we have the duty to defend:
  - a. 100% of the "insured's" "claim expenses" shall be allocated to covered "loss"; and
  - b. All other "loss" shall be allocated between covered "loss" and non-covered loss based upon the relative legal exposure of all parties to such matters.
2. with respect to a covered "claim" for which we do not have the duty to defend, all "loss" shall be allocated between covered "loss" and non-covered loss based upon the relative legal exposure of all parties to such matters.

**SECTION IX - CONDITIONS****A. Coverage Part Priority; Headings**

If any provision in this Coverage Part is inconsistent or in conflict with the terms and conditions of any provisions in this Policy, the terms and conditions of this Coverage Part shall control only for purposes of determining coverage hereunder. The headings of the various sections of this Coverage Part are intended for reference only and shall not be part of the terms and conditions of coverage.

**B. Notice Addresses**

1. All notices to the "insureds" shall be sent to the first "named insured" at the address specified in the Declarations.
2. All notices to us shall be sent to the address specified in the Declarations. Any such notice shall be effective upon receipt by us at such address.

**C. Spousal/Domestic Partner Liability Coverage**

Coverage shall apply to the lawful spouse or "domestic partner" of an "insured person" for a "claim" made against such spouse or "domestic partner", provided that:

1. such "claim" arises solely out of:
  - a. such person's status as the spouse or "domestic partner" of an "insured person"; or
  - b. such spouse or "domestic partner's" ownership of property sought as recovery for a "wrongful act";
2. the "insured person" is named in such "claim" together with the spouse or "domestic partner"; and
3. coverage of the spouse or "domestic partner" shall be on the same terms and conditions, including any applicable

**EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**

Deductible, that applies to coverage of the "insured person" for such "claim".

No coverage shall apply to any "claim" for a "wrongful act" of such spouse or "domestic partner".

**D. Estates and Legal Representatives**

In the event of the death, incapacity or bankruptcy of an "insured person", any "claim" made against the estate, heirs, legal representatives or assigns of such "insured person" for a "wrongful act" of such "insured person" shall be deemed to be a "claim" made against such "insured person". No coverage shall apply to any "claim" for a "wrongful act" of such estate, heirs, legal representatives or assigns.

**E. Minimum Standards**

In the event that there is an inconsistency between:

1. the terms and conditions that are required to meet minimum standards of a state's law (pursuant to a state amendatory endorsement attached to this Coverage Part), and
2. any other term or condition of this Coverage Part,

it is understood and agreed that, where permitted by law, we shall apply those terms and conditions of 1. or 2. above that are more favorable to the "insured".

**F. Other Insurance**

1. The coverage provided under this Coverage Part for any "employment practices claim" shall be primary.
2. Notwithstanding the above, the coverage provided under this Coverage Part for any "employment practices claim" made against a temporary, leased or loaned "employee" or an "independent contractor" shall be excess of the amount of any deductible, retention and limits of liability under any other policy or policies applicable to such "claim", whether such other policy or policies are stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically excess of this Policy by reference in such other policy or policies to this Policy's Policy Number.

**G. Interrelationship of Claims**

All "claims" based upon, arising from or in any way related to the same "wrongful act" or "interrelated wrongful acts" shall be deemed to be a single "claim" for all purposes under this Coverage Part first made on the earliest date that:

1. any of such "claims" was first made, regardless of whether such date is before or during the "policy period";
2. notice of any "wrongful act" described above was given to us under this Coverage Part pursuant to Sections IV or VIII; or
3. notice of any "wrongful act" described above was given under any prior insurance policy.

**H. Deductible Waiver**

Regarding a "claim" that is a class action civil proceeding, no Deductible shall apply to "claim expenses" incurred in connection with such "claim", and we shall reimburse the "insureds" for any covered "claim expenses" paid by the "insureds" within the Deductible otherwise applicable to such "claim", if a:

1. final adjudication with prejudice pursuant to a trial, motion to dismiss or motion for summary judgment; or
2. complete and final settlement with prejudice;

establishes that none of the "insureds" in such "claim" are liable for any "loss".

**I. Application**

1. The "insureds" represent that the Declarations and statements contained in the "application" are true, accurate and complete. This Coverage Part is issued in reliance upon the "application".
2. If the "application" contains intentional misrepresentations or misrepresentations that materially affect the acceptance of the risk by us no coverage shall be afforded under this Coverage Part for any "insureds" who knew on the Effective Date of this Coverage Part of the facts that were so misrepresented, provided that:
  - a. knowledge possessed by any "insured person" shall not be imputed to any other "insured person"; and
  - b. knowledge possessed by any of your chief executive officer, general counsel, chief financial officer, human resources director or any position equivalent to the foregoing of the "named insured", or anyone signing the "application", shall be imputed to all "insured entities". No other person's knowledge shall be imputed to an "insured entity".

**EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM****J. Changes in Exposure****1. Acquisitions or Created Subsidiaries**

If, before or during the "policy period", any "insured entity" acquires or creates a "subsidiary", then such acquired or created entity and its subsidiaries, and any natural persons that would qualify as "insured persons" thereof, shall be "insureds" to the extent such entities and persons would otherwise qualify as "insureds" under this Coverage Part,, but only for "wrongful acts" occurring after such acquisition or creation. No coverage shall be available for any "wrongful act" of such "insureds" occurring before such acquisition or creation, or for any "interrelated wrongful acts" thereto.

However, if the fair value of the assets of any such acquired or created entity exceed 25% of the total assets of the "named insured" as reflected in its most recent consolidated financial statements prior to such acquisition or creation, then, as a condition precedent to coverage hereunder, the "insureds" shall give us written notice and full, written details of the acquisition or creation as soon as practicable (but, in all cases, within ninety (90) days of such acquisition or creation). There shall be no coverage under any renewal or replacement of this Coverage Part for any such new "subsidiary" and its subsidiaries, and any natural persons that would qualify as "insured persons" thereof, unless the "insureds" comply with the terms of this provision.

**2. Mergers**

If, before or during the "policy period", any "insured entity" merges with another entity such that the "insured entity" is the surviving entity, then such merged entity and its subsidiaries, and any natural persons that would qualify as "insured persons" thereof, shall be "insureds" to the extent such entities and persons would otherwise qualify as "insureds" under this Coverage Part, but only for "wrongful acts" occurring after such merger. No coverage shall be available for any "wrongful act" of such "insureds" occurring before such merger or for any "interrelated wrongful acts" thereto.

However, if the fair value of the assets of any newly merged entity exceed 25% of the total assets of the "named insured" as reflected in its most recent consolidated financial statements prior to such merger,

then, as a condition precedent to coverage hereunder, the "insureds" shall give us written notice and full, written details of the merger as soon as practicable (but, in all cases, within ninety (90) days of such merger). There shall be no coverage under any renewal or replacement of this Coverage Part for any newly merged entity or any of its subsidiaries, and any natural persons that would qualify as "insured persons" thereof, unless the "insureds" comply with the terms of this provision.

**3. Takeover of Named Insured**

If, before or during the "policy period":

- a. the "named insured" merges into or consolidates with another entity such that the "named insured" is not the surviving entity; or
- b. more than 50% of the securities representing the right to vote for the "named insured's" board of directors or managers is acquired by another person or entity, group of persons or entities, or persons and entities acting in concert,

then coverage shall continue under this Coverage Part, but only for "wrongful acts" occurring before any such transaction. No coverage shall be available for any "wrongful act" occurring after such transaction. Upon such transaction, this Coverage Part shall not be cancelled and the entire premium for this Coverage Part shall be deemed fully earned. The "insured" shall give us written notice and full, written details of such transaction as soon as practicable (but, in all cases, within ninety (90) days of such transaction). If any transaction described herein occurs, then we will not be obligated to offer any renewal or replacement of this Coverage Part.

**4. Loss of Subsidiary Status**

If, before or during the "policy period", any entity ceases to be a "subsidiary", then coverage shall be available under this Coverage Part for such "subsidiary" and its "insured persons", but only for a "wrongful act" of such "insureds" occurring before such transaction. No coverage shall be available for any "wrongful act" of such "insureds" occurring after such transaction.

**K. References To Laws**

1. Wherever this Coverage Part mentions any law, including, without limitation, any statute, Act or Code of the United States,

## EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM

such mention shall be deemed to include all amendments of, and all rules or regulations promulgated under, such law.

2. Wherever this Coverage Part mentions any law or laws, including, without limitation, any statute, Act or Code of the United States, and such mention is followed by the phrase "or any similar law", such phrase shall be deemed to include all similar laws of all jurisdictions throughout the world, including, without limitation, statutes and any rules or regulations promulgated under such statutes as well as common law.

### L. Action Against Us

1. No action shall be taken against us unless there shall have been full compliance with all the terms and conditions of this Coverage Part.
2. No person or organization shall have any right under this Coverage Part to join us as a party to any "claim" against the "insureds" nor shall we be impleaded by the "insureds" in any such "claim".

### M. Entire Agreement

This Coverage Part, the "application" and any written endorsements attached hereto, along with the Declarations constitute the entire agreement between you and us relating to this Coverage Part's insurance.

### N. Bankruptcy or Insolvency

Bankruptcy or insolvency of any "insureds" shall not relieve us of any of our obligations under this Coverage Part.

### O. Authorization of First Named Insured

The first "named insured" shall act on behalf of all "Insureds" with respect to all matters under this Coverage Part, including, without limitation, giving and receiving of notices regarding "claims", cancellation, election of the Extended Reporting Period, payment of premiums, receipt of any return premiums, and acceptance of any endorsements to this Coverage Part.

### P. When We Do Not Renew

1. If we decide not to renew this Coverage Part, we will mail or deliver to the first "named insured" shown in the Declarations written notice of the nonrenewal not less than thirty (30) days before the expiration date.
2. If notice is mailed, proof of mailing will be sufficient proof of notice.
3. Any state amendatory endorsement changing Nonrenewal Conditions for any part of this policy shall also apply to this Coverage Part.





**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

## **THIRD PARTY LIABILITY ENDORSEMENT - EMPLOYMENT PRACTICES LIABILITY**

This endorsement modifies insurance provided under the following:

### **EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**

- I. **SECTION I - INSURING AGREEMENT** of this Coverage Part is amended to include the following:

#### **Third Party Liability**

We shall pay "loss" on behalf of the "insureds" resulting from a "third party claim" first made against the "insureds" during the "policy period" or the Extended Reporting Period, if applicable, for a "third party wrongful act" by the "insureds."

- II. **SECTION II - DEFINITIONS** of this Coverage Part is amended in the following manner:

- A. The definition of "claim" is amended to include the following:

"Claim" also means any "third party claim."

- B. The definition of "wrongful act" is amended to include the following:

"Wrongful act" also means any actual or alleged "third party wrongful act".

- C. The following definitions are added:

"Third party" means any natural person who is a customer, vendor, service provider or other business invitee of an "insured entity". "Third party" shall not include "employees".

"Third party claim" means any:

1. written demand for monetary damages or other civil non-monetary relief commenced by the receipt of such demand;
2. civil proceeding, including an arbitration or other alternative dispute resolution proceeding, commenced by the service of a complaint, filing of a demand for arbitration, or similar pleading; or

3. formal administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document;

by or on behalf of a "third party".

"Third party claim" also means a written request to the "insureds" to toll or waive a statute of limitations regarding a potential "third party claim" as described above. Such "claim" shall be commenced by the receipt of such request.

"Third party wrongful act" means:

1. discrimination against a "third party" based upon age, gender, race, color, national origin, religion, creed, marital status, sexual orientation or preference, pregnancy, disability, HIV or other health status, Vietnam Era Veteran or other military status, or other protected status established under federal, state or local law; or
2. sexual harassment or other harassment of a "third party", including unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature.

- III. The following exclusion is added to **SECTION III - EXCLUSIONS**:

We shall not pay "loss" in connection with any "third party claim" based upon, arising from or in any way related to any price discrimination or violation of any anti-trust law or any similar law designed to protect competition or prevent unfair trade practices.

All other terms and conditions of this Coverage Part remain unchanged.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

## **RETROACTIVE DATE ENDORSEMENT - EMPLOYMENT PRACTICES LIABILITY**

This endorsement modifies insurance provided under the following:

### **EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**

- I. SECTION I - INSURING AGREEMENT** of this Coverage Part is amended to include the following:

This Coverage Part applies only to "claims" for "wrongful acts" that occurred on or after the "retroactive date" set forth in the Declarations and before the end of the "policy period", regardless of whether such "claim" is made during the "policy period" or the Extended Reporting Period, if applicable.

- II. The following definition is added to SECTION II - DEFINITIONS** of this Coverage Part:

"Retroactive date" means the date specified in the Declarations. If no date is specified, the "retroactive date" will be the same as the Effective Date of this Coverage Part.

All other terms and conditions of this Coverage Part remain unchanged.



## **U.S. DEPARTMENT OF THE TREASURY, OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS**

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by the United States. **Please read this Notice carefully.**

The Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States. OFAC acts under Presidential national emergency powers, as well as authority granted by specific legislation, to impose controls on transactions and freeze assets under U.S. jurisdiction. OFAC publishes a list of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists individuals, groups, and entities, such as terrorists and narcotics traffickers designated under programs that are not country-specific. Collectively, such individuals and companies are called "Specially Designated Nationals and Blocked Persons" or "SDNs". Their assets are blocked and U.S. persons are generally prohibited from dealing with them. This list can be located on OFAC's web site at – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is an SDN, as identified by OFAC, the policy is a blocked contract and all dealings with it must involve OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC.



**Named Insured:** DARTCOM LLC

**Policy Number:** 08 SBA IX2219

**Effective Date:** 04/01/19

**Expiration Date:** 04/01/20

**Company Name:** TWIN CITY FIRE INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **TRADE OR ECONOMIC SANCTIONS ENDORSEMENT**

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

All other terms and conditions remain unchanged.

B



## THANK YOU FOR RENEWING YOUR POLICY WITH US

If you're receiving this renewal through the mail directly from The Hartford, please note that we've only attached new, changed or updated documents. These include your new declarations page, which outlines your coverage, as well as any notices and brochures with updated information. We leave out unchanged documents to help cut down on paperwork and mailing costs. You can keep the attached documents filed alongside those from your previous policy if you wish.

If you're receiving this renewal electronically, or it's been mailed by your agent, it may include all of your documents - even ones that haven't changed.

In either case, keep in mind that you can view, download or print any of these documents online. Just register or log into your account <https://business.thehartford.com> and click on "Documents". For added convenience, you can also pay your bill, request a Certificate of Insurance, check claims status, update preferences and more.

DARTCOM LLC

160 COMMONWEALTH AVE  
BOSTON MA 02116

Policy Number: 08 SBA IX2219  
Renewal Date: 04/01/20



Thank you for being a loyal customer of The Hartford.

#### **# 1: Your Hartford Policy**

Enclosed are renewal documents for your policy, which is scheduled to renew on 04/01/20 . Along with a new Declarations Page, which details the coverages provided by your policy, we are enclosing important policy documents. Please be aware that you will receive an invoice separately for this new policy term approximately 30 days prior to the renewal date; no action is required now.

To ensure the premium you paid for this past policy term was accurate, we may contact you by letter, phone or email to conduct a premium audit. If contacted, we will advise what information is needed to complete the audit.

#### **# 2: Your Business Insurance Coverage Checkup**

Now is a great time to complete a business insurance coverage checkup with a Hartford Insurance Professional. Because you wear so many hats each day, you may not be thinking about how changes to your business can impact the type and amount of insurance coverage needed to protect it.

Together we will evaluate how your needs may have changed over the past year. Examples include:

- Has your mailing address and/or the physical location of your business changed?
- Has there been any increase/decrease in the amount of business property/equipment you own?
- Has there been any increase/decrease in your company's payroll or sales?
- Have you added or eliminated any vehicles used in your business operations?
- Are the bill plan and deductible on your policy right for your business?

During the review we may make coverage recommendations, provide peace of mind solutions, and possibly reduce your costs. Here is all you need to do:

- Call toll free (866) 467-8730 , and select our renewal review service option any weekday from 7 A.M. to 7 P.M. CST and request your business insurance check-up.
- To best serve you, please have your Policy Number or Account Number and a Copy of your current Renewal Policy in hand when you call.

#### **# 3: Servicing Your Needs**

To login or register for our Online Business Service Center, go to [www.thehartford.com/servicecenter](http://www.thehartford.com/servicecenter) where any time, day or night you can:

- Pay your bill, view payment history and enroll in Auto Pay
- Request Auto ID Cards and Certificates of Insurance
- View electronic copies of billing and policy documents and sign up for paperless delivery

#### **# 4: If You've Had A Loss or Accident... Report It Immediately**

We want to help! Contact us as quickly as possible at 1-800-327-3636.

- Representatives are available 24-7 to assist in helping you recover from your loss.

On behalf of CASSIDY ASSOC INS AGENCY INC/PHS and The Hartford, we appreciate the opportunity to have been of service to you this past year and look forward to serving your business insurance needs for the upcoming year.

Sincerely,  
Your Hartford Team

## Insurance Policy Billing Information

Thank you for selecting The Hartford for your business insurance needs.

Shortly, you will receive your first bill from us. You are receiving this Notice so you know what to expect as a valued customer of The Hartford. Should you have any questions after reviewing this information, please contact us at 866-467-8730, and we will be happy to assist you.

- o Your total policy premium will appear on your policy's Declarations Page. You will be billed based on the payment plan you selected.
- o You may pay the "minimum due" as it appears on your insurance bill or pay the policy balance in full.
- o An installment service fee is added to each installment. A late fee will also be applied if the "minimum due" is not **received** by the due date shown on your bill. Service and late payment fees do not apply in all states.
- o If you selected installment billing, any credit or additional premium due as the result of a change made to your policy, will be spread over the remaining billing installments. Additional premium due as a result of an **audit** will be billed in full on your next bill date following the completion of the audit.
- o If you elected Electronic Funds Transfer (EFT), policy changes may result in changes to the amount automatically withdrawn from your bank account. The invoice you receive following a policy change will include future withdrawal amounts. If you need to adjust or stop your next scheduled EFT withdrawal, please contact us **at least 3 days prior** to the scheduled withdrawal date at the telephone number shown below.
- o If you selected installment billing and pay the premiums for your first policy term on time, at renewal, your account may qualify for our "Equal Installment" feature. This means that the percentage due for each installment, including the initial renewal installment, will be the same throughout the policy term – helping you better manage cash flow. Equal installments will continue as long as you pay your premiums on time and no cancellation notices are issued for any policy on your account. If you no longer qualify for Equal Installments, future renewals will be billed based on the payment plan you selected, which includes a higher initial installment amount.
- o If your policy is eligible for renewal, your bill for the upcoming policy term will be sent to you approximately 30 days prior to your policy's renewal date. If your insurance needs change, please contact us at least 60 days prior to your renewal date so we can properly address any adjustments needed.
- o **One bill convenience** -- you have the option of combining all eligible Hartford policies on one single bill allowing you to make one payment for all policies on your account as payments are due.

### You're In Control

In addition to selecting a bill plan option that best meets your budget, you have the flexibility to decide **how** your payments are made ...

- o **Repetitive EFT:** Sign up for Repetitive EFT payments and have payments automatically withdrawn from your bank account. This option saves you money by reducing the amount of the installment service fee.
- o **Pay Online:** Register at [www.thehartford.com/servicecenter](http://www.thehartford.com/servicecenter). Online Bill Pay is Quick, Easy and Secure!
- o **Pay by Check:** Send a check with your remittance stub in the envelope provided with your bill.
- o **Pay by Phone:** Call toll-free 1-866-467-8730.

Should you have any questions about your bill, please call Customer Service toll-free number:  
1-866-467-8730 - 7AM – 7PM CST. We look forward to being of service to you.





## **IMPORTANT NOTICE TO POLICYHOLDERS**

### **THE HARTFORD CYBER CENTER WEBSITE ACCESS**

Thank you for choosing The Hartford for your business insurance needs.

You are receiving this Notice because you purchased a business owner's policy from The Hartford, (your Policy was issued by The Hartford writing company identified on your policy Declarations page) which includes access to The Hartford Cyber Center. This portal was created because we recognize that businesses face a variety of cyber-related exposures and need help managing the related risks. These exposures include data breaches, computer virus attacks and cyber extortion threats.

Through The Hartford Cyber Center, you have access to:

- o A panel of third party incident response service providers
- o Third party cybersecurity pre-incident service providers and a list of approved services to help protect your business before a cyber-threat occurs
- o Risk management tools, including self-assessments, best practice guides, templates, sample incident response plans, and data breach cost calculators
- o White papers, blogs and webinars from leading privacy and security practitioners
- o Up-to-date cyber-related news and events, including examples of privacy and security related events

Accessing The Hartford Cyber Center is easy

1. Visit [www.thehartford.com/cybercenter](http://www.thehartford.com/cybercenter)
2. Enter policyholder information
3. Access code: 952689
4. Login to The Hartford Cyber Center

This Notice does not amend or otherwise affect the provisions of your business owner's policy.

#### **Coverage Options:**

The Hartford offers a variety of endorsements to your business owner's policy that can help protect your business from a broad range of cyber-related threats. Please review your coverage with your insurance agent or broker to determine the most appropriate cyber coverages and limits for your business.

#### **Claims Reporting:**

If you have a claim, you can report it by calling The Hartford's toll-free claims line at **1-800-327-3636**.

Should you have any questions, please contact your insurance agent, broker or you may contact us directly.

We appreciate your business and look forward to being of continued service to you.

Please be aware that:

- o The Hartford Cyber Center is a proprietary web portal exclusively provided to customers of The Hartford. Please do not share the access code with anyone outside your organization.
- o Registration is required to access the Cyber Center. You may register as many users as necessary.
- o Contacting a service provider about any issue does not constitute providing The Hartford notice of a claim as required under your insurance policy. Read your insurance policy and discuss any questions with your agent or broker.

The Hartford Cyber Center provides third party service provider references and materials for educational purposes only. The Hartford does not specifically endorse any such service provider within The Hartford Cyber Center and hereby disclaims all liability with respect to use of or reliance on such service providers. All service providers are independent contractors and not agents of The Hartford. The Hartford does not warrant the performance of the service providers, even if such services are covered under your Business Owners Policy. We strongly encourage you to conduct your own assessments of the service providers' services and the fitness or adequacy of such services for your particular needs.



## **IMPORTANT NOTICE TO POLICYHOLDERS - PERSONAL AND ADVERTISING INJURY EXCLUSION - LIMITED**

Thank you for trusting The Hartford with your Business Insurance needs.

Your policy may have previously had SS 50 50, Personal and Advertising Injury Exclusion - Limited attached. Please be advised that SS 50 50 will no longer be attached due to your class and business operations. The elimination of SS 50 50 from your policy will result in a broadening of coverage.

If you have any questions regarding this notice, feel free to reach out to your Hartford representative.

# **Spectrum<sup>®</sup>**

## **Business Owner's Policy**





**IMPORTANT NOTICE TO POLICYHOLDERS**

**NOTIFICATION OF AVAILABILITY OF COVERAGE FOR FUNGUS/MOLD  
DAMAGE AS A RESULT OF OTHERWISE COVERED PERILS**

The Massachusetts Division of Insurance requires that all residents and businesses of Massachusetts be provided the opportunity to purchase limited property insurance coverage for fungus/mold damages as a result of an otherwise covered peril.

The policy being offered, issued, or renewed may already provide this coverage. If this coverage is not already provided to you it is available under a separate endorsement.

Please contact your insurance company or your agent to apply for this coverage.



## **PRODUCER COMPENSATION NOTICE**

You can review and obtain information on The Hartford's producer compensation practices at [www.TheHartford.com](http://www.TheHartford.com) or at 1-800-592-5717.

POLICY NUMBER: 08 SBA IX2219



**THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT.**

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

### SCHEDULE

**Terrorism Premium:**

\$ 209.00

**A. Disclosure Of Premium**

In accordance with the federal Terrorism Risk Insurance Act, as amended (TRIA), we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for "certified acts of terrorism" under TRIA. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement.

**B. The following definition is added with respect to the provisions of this endorsement:**

1. A "certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of TRIA, to be an act of terrorism under TRIA. The criteria contained in TRIA for a "certified act of terrorism" include the following:
  - a. The act results in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and
  - b. The act results in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of an United States mission; and
  - c. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the

United States or to influence the policy or affect the conduct of the United States Government by coercion

**C. Disclosure Of Federal Share Of Terrorism Losses**

The United States Department of the Treasury will reimburse insurers for a portion of insured losses, as indicated in the table below, attributable to "certified acts of terrorism" under TRIA that exceeds the applicable insurer deductible:

Calendar Year	Federal Share of Terrorism Losses
2015	85%
2016	84%
2017	83%
2018	82%
2019	81%
2020 or later	80%

However, if aggregate industry insured losses under TRIA exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. The United States government has not charged any premium for their participation in covering terrorism losses.

**D. Cap On Insurer Liability for Terrorism Losses**

If aggregate industry insured losses attributable to "certified acts of terrorism" under TRIA exceed \$100 billion in a calendar year and we have met, or will meet, our insurer deductible under TRIA, we shall not be liable for the payment of any portion of the amount of such losses that exceed \$100 billion. In such case, your coverage for terrorism losses may be reduced on a pro-rata basis in accordance with procedures established by the Treasury, based on its estimates of aggregate industry losses and our estimate that we will exceed our insurer deductible. In accordance with the Treasury's procedures, amounts paid for losses may be subject to further adjustments based on differences between actual losses and estimates.

**E. Application of Other Exclusions**

The terms and limitations of any terrorism exclusion, the inapplicability or omission of a terrorism exclusion, or the inclusion of terrorism coverage, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Form, Coverage Part or Policy.

**F. All other terms and conditions remain the same.**



## IMPORTANT NOTICE TO POLICYHOLDERS

<b>ERISA - EMPLOYEE DISHONESTY</b>
------------------------------------

You are receiving this notice because your renewal policy contains ERISA-EMPLOYEE DISHONESTY.

The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law that sets rules and standards of conduct for private sector employee benefit plans and those that invest and manage their assets. One of ERISA's requirements is that people who handle plan funds and other property must be covered by a fidelity bond to protect the plan from losses due to fraud or dishonesty.

Please be advised that on or before the beginning of each plan year, the plan administrator or other plan fiduciary must ensure that the plan has the legally required bonding amount for the individuals who will handle the plan's funds and other property. If necessary, the plan administrator or other plan fiduciary may need to obtain appropriate adjustments or additional protection to ensure that the coverage will be in compliance for the new plan year.

If you wish to adjust the amount of your ERISA fidelity bond, please reach out to your agent or Hartford representative.





## **IMPORTANT NOTICE TO POLICYHOLDERS**

To help your insurance keep pace with increasing costs, we have increased your amount of insurance . . . giving you better protection in case of either a partial, or total loss to your property.

If you feel the new amount is not the proper one, please contact your agent or broker.

19 This **Spectrum Policy** consists of the Declarations, Coverage Forms, Common Policy Conditions and any  
 22 other Forms and Endorsements issued to be a part of the Policy. This insurance is provided by the stock  
 IX insurance company of The Hartford Insurance Group shown below.

SBA

**INSURER:** TWIN CITY FIRE INSURANCE COMPANY  
 ONE HARTFORD PLAZA, HARTFORD, CT 06155  
**COMPANY CODE:** 7

**Policy Number:** 08 SBA IX2219 DW



## SPECTRUM POLICY DECLARATIONS

**Named Insured and Mailing Address:** DARTCOM LLC  
 (No., Street, Town, State, Zip Code) DBA BUTTERMILK & BOURBON  
 160 COMMONWEALTH AVE  
 BOSTON MA 02116

**Policy Period:** From 04/01/20 To 04/01/21 1 YEAR  
 12:01 a.m., Standard time at your mailing address shown above. **Exception:** 12 noon in New Hampshire.

**Name of Agent/Broker:** CASSIDY ASSOC INS AGENCY INC/PHS  
**Code:** 088717

**Previous Policy Number:** 08 SBA IX2219

**Named Insured is:** LIMITED LIAB CORP

**Audit Period:** ANNUAL

**Type of Property Coverage:** SPECIAL

**Insurance Provided:** In return for the payment of the premium and subject to all of the terms of this policy, we agree with you to provide insurance as stated in this policy.

**TOTAL ANNUAL PREMIUM IS:** \$10,664 **DISCOUNT APPLIED:** PAID IN FULL

Countersigned by *Susan L. Castaneda*  
 Authorized Representative

01/21/20  
 Date

**SPECTRUM POLICY DECLARATIONS (Continued)**

**POLICY NUMBER:** 08 SBA IX2219

Location(s), Building(s), Business of Named Insured and Schedule of Coverages for Premises as designated by Number below.

**Location:** 001      **Building:** 001

160 COMMONWEALTH AVE  
BOSTON                      MA 02116

**Description of Business:**

Restaurant - Full Service (Waiter/Waitress)

**Deductible:** \$ 1,000 PER OCCURRENCE

**BUILDING AND BUSINESS PERSONAL PROPERTY LIMITS OF INSURANCE**

**BUILDING**

NO COVERAGE

**BUSINESS PERSONAL PROPERTY**

**REPLACEMENT COST**                      \$    156,800

**PERSONAL PROPERTY OF OTHERS**

**REPLACEMENT COST**                      NO COVERAGE

**MONEY AND SECURITIES**

INSIDE THE PREMISES                      \$    10,000  
OUTSIDE THE PREMISES                      \$    10,000



**SPECTRUM POLICY DECLARATIONS (Continued)**

**POLICY NUMBER:** 08 SBA IX2219

**PROPERTY OPTIONAL COVERAGES APPLICABLE LIMITS OF INSURANCE  
TO ALL LOCATIONS**

BUSINESS INCOME AND EXTRA EXPENSE  
COVERAGE  
COVERAGE INCLUDES THE FOLLOWING  
COVERAGE EXTENSIONS:

12 MONTHS ACTUAL LOSS SUSTAINED

ACTION OF CIVIL AUTHORITY:  
EXTENDED BUSINESS INCOME:

30 DAYS  
30 CONSECUTIVE DAYS

EQUIPMENT BREAKDOWN COVERAGE  
DEDUCTIBLE: \$1,000 FORM: SS 40 65  
COVERAGE FOR DIRECT PHYSICAL LOSS  
DUE TO:  
MECHANICAL BREAKDOWN,  
ARTIFICIALLY GENERATED CURRENT  
AND STEAM EXPLOSION

THIS ADDITIONAL COVERAGE INCLUDES  
THE FOLLOWING EXTENSIONS

HAZARDOUS SUBSTANCES	\$ 50,000
EXPEDITING EXPENSES	\$ 50,000

MECHANICAL BREAKDOWN COVERAGE ONLY  
APPLIES WHEN BUILDING OR BUSINESS  
PERSONAL PROPERTY IS SELECTED ON  
THE POLICY

IDENTITY RECOVERY COVERAGE FORM SS 41 12	\$ 15,000
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**SPECTRUM POLICY DECLARATIONS (Continued)**

POLICY NUMBER: 08 SBA IX2219

<b>BUSINESS LIABILITY</b>	<b>LIMITS OF INSURANCE</b>
<b>LIABILITY AND MEDICAL EXPENSES</b>	\$2,000,000
<b>MEDICAL EXPENSES - ANY ONE PERSON</b>	\$ 5,000
<b>PERSONAL AND ADVERTISING INJURY</b>	\$2,000,000
<b>DAMAGES TO PREMISES RENTED TO YOU ANY ONE PREMISES</b>	\$1,000,000
<b>AGGREGATE LIMITS</b>	
<b>PRODUCTS-COMPLETED OPERATIONS</b>	\$4,000,000
<b>GENERAL AGGREGATE</b>	\$4,000,000
<b>EMPLOYMENT PRACTICES LIABILITY COVERAGE: FORM SS 09 01</b>	
<b>EACH CLAIM LIMIT</b>	\$ 10,000
<b>DEDUCTIBLE - EACH CLAIM LIMIT NOT APPLICABLE</b>	
<b>AGGREGATE LIMIT</b>	\$ 10,000
<b>RETROACTIVE DATE: 04012017</b>	

This **Employment Practices Liability Coverage** contains claims made coverage. Except as may be otherwise provided herein, specified coverages of this insurance are limited generally to liability for injuries for which claims are first made against the insured while the insurance is in force. Please read and review the insurance carefully and discuss the coverage with your Hartford Agent or Broker.

The Limits of Insurance stated in this Declarations will be reduced, and may be completely exhausted, by the payment of "defense expense" and, in such event, The Company will not be obligated to pay any further "defense expense" or sums which the insured is or may become legally obligated to pay as "damages".

**BUSINESS LIABILITY OPTIONAL  
COVERAGES**

<b>HIRED/NON-OWNED AUTO LIABILITY</b>	\$2,000,000
<b>LIQUOR LIABILITY INSURANCE FORM SS 04 03</b>	
<b>EACH COMMON CAUSE</b>	\$1,000,000
<b>AGGREGATE</b>	\$2,000,000

**SPECTRUM POLICY DECLARATIONS (Continued)**

**POLICY NUMBER:** 08 SBA IX2219

**BUSINESS LIABILITY OPTIONAL COVERAGES**  
**(Continued)**

**LIMITS OF INSURANCE**

CYBERFLEX COVERAGE  
FORM SS 40 26

TENANT'S LEGAL LIABILITY COVERAGE  
FORM SS 40 98  
LOCATION: 001 BUILDING: 001  
UNMANNED AIRCRAFT LIABILITY  
IS EXCLUDED  
SEE FORM: SS 42 06

\$1,000,000

**SPECTRUM POLICY DECLARATIONS (Continued)**

**POLICY NUMBER:** 08 SBA IX2219

**Form Numbers of Forms and Endorsements that apply:**

SS 00 01 03 14	SS 00 05 10 08	SS 00 07 07 05	SS 00 08 04 05
SS 00 38 04 04	SS 00 60 09 15	SS 00 61 07 19	SS 00 64 09 16
SS 84 04 10 15	SS 01 01 07 08	SS 42 06 03 17	SS 04 03 10 08
SS 04 11 09 07	SS 04 19 04 09	SS 04 22 07 05	SS 04 30 07 05
SS 04 38 09 09	SS 04 39 07 05	SS 04 41 03 18	SS 04 42 03 17
SS 04 44 07 05	SS 04 45 07 05	SS 04 46 09 14	SS 04 47 04 09
SS 04 80 03 00	SS 04 86 03 00	SS 40 18 07 05	SS 40 26 03 17
SS 40 65 07 05	SS 40 93 07 05	SS 40 98 04 05	SS 41 12 12 17
SS 41 32 09 06	SS 41 51 10 09	SS 41 63 06 11	SS 05 10 03 00
SS 05 47 09 15	SS 51 11 03 17	SS 50 18 04 05	SS 09 01 12 14
SS 09 67 09 14	SS 09 70 12 14	SS 09 71 12 14	SS 50 19 01 15
IH 99 40 04 09	IH 99 41 04 09	SS 83 76 01 15	SS 89 93 07 16



**Spectrum Supplemental Schedule of Auditable Coverages**

This schedule reflects only those locations that have classes and/or coverages that are subject to audit.

**Policy Number:** 08 SBA IX2219

Entries herein, except as specifically provided elsewhere in this policy, do not modify any of the other provisions of this policy.

LOC/BLDG NO:	001/001	TERR: 011
LOCATION:	160 COMMONWEALTH AVE BOSTON	MA 02116
CLASSIFICATION CODE NUMBER	58011	
DESCRIPTION:	Restaurant - Full Service (Waiter/Waitress)	
COVERAGE DESCRIPTION:	PREMISES/OPERATIONS COVERAGE	
REFER TO:	BUSINESS LIABILITY COVERAGE PART FORM SS 00 08	
RATING BASIS:	SALES PER 1000	
EXPOSURE:	1,552,500	
FINAL RATE:	2.236	
ADVANCE PREMIUM:	\$3,472.00	
COVERAGE DESCRIPTION:	PRODUCTS/COMPLETED OPERATIONS COVERAGE	
REFER TO:	BUSINESS LIABILITY COVERAGE PART FORM SS 00 08	
RATING BASIS:	SALES PER 1000	
EXPOSURE:	1,552,500	
FINAL RATE:	0.691	
ADVANCE PREMIUM:	\$1,073.00	
COVERAGE DESCRIPTION:	BUSINESS INCOME & EXTRA EXPENSE - ACTUAL LOSS SUSTAINED	
REFER TO:	SPECIAL PROPERTY COVERAGE PART FORM SS 00 07	
RATING BASIS:	SALES PER 1000	
EXPOSURE:	1,552,500	
FINAL RATE:	1.240	
ADVANCE PREMIUM:	\$1,926.00	

**Form SS 00 38 04 04T**  
**Process Date:** 01/21/20

**Page** 001 (CONTINUED ON NEXT PAGE)  
**Policy Expiration Date:** 04/01/21

**Spectrum Supplemental Schedule of Auditable Coverages (Continued)**

**Policy Number:** 08 SBA IX2219

COVERAGE DESCRIPTION:	LIQUOR LIABILITY
REFER TO:	LIQUOR LIABILITY COVERAGE FORM SS 04 03
RATING BASIS:	LIQUOR SALES PER 1000
EXPOSURE:	375,000
FINAL RATE:	4.699
ADVANCE PREMIUM:	\$1,762.00
-----	
TOTAL ADVANCE PREMIUM FOR AUDITABLE COVERAGES	\$8,233.00 DOES NOT INCLUDE TERRORISM OR ANY APPLICABLE STATE SURCHARGES OR FEES OR MINIMUM PREMIUMS
-----	



## RESTAURANT STRETCH SUMMARY

### SUMMARY OF COVERAGE LIMITS

This is a summary of the Coverages and the Limits of Insurance provided by the Restaurant Stretch Coverage form SS 04 11 which is included in this policy. No coverage is provided by this summary. Refer to coverage form SS 04 11 to determine the scope of your insurance protection.

The Limit of Insurance for the following Additional Coverages are in addition to any other limit of insurance provided under this policy:

<b>Coverage</b>	<b>Limit</b>
Accounts Receivable - On/Off-Premises	\$ 25,000
Brands and Labels	Up to Business Personal Property Limit
Claims Expense	\$ 10,000
Computer Fraud	\$ 5,000
Computers and Media	\$ 25,000
Debris Removal	\$ 25,000
Employee Dishonesty (including ERISA)	\$ 10,000
Fine Arts	\$ 10,000
Forgery	\$ 10,000
Laptop Computers - Worldwide Coverage	\$ 10,000
Lost Keys	\$ 2,500
Off Premises Service - Direct Damage	\$ 10,000
Outdoor Signs	Full Value
Pairs and Sets	Up to Business Personal Property Limit
Personal Property of Others	\$ 10,000
Property at Other Premises	\$ 10,000
Salespersons' Samples	\$ 1,000
Sewer and Drain Back Up	Included up to Covered Property Limits
Sump Overflow or Sump Pump Failure	\$ 15,000
Temperature Change	\$ 10,000
Tenant Building and Business Personal Property Coverage- Required by Lease	\$ 20,000
Transit Property in the Care of Carriers for Hire	\$ 10,000
Unauthorized Business Card Use	\$ 2,500
Valuable Papers and Records - On/Off-Premises	\$ 25,000

The Limits of Insurance for the following Coverage Extensions are a replacement of the Limit of Insurance provided under the Standard Property Coverage Form or the Special Property Coverage Form, whichever applies to the policy:

<b>Coverage</b>	<b>Limit</b>
Newly Acquired or Constructed Property - 180 Days	
Building	\$1,000,000
Business Personal Property	\$ 500,000
Business Income and Extra Expense	\$ 500,000
Outdoor Property	\$ 20,000 aggregate/ \$1,000 per item
Personal Effects	\$ 25,000
Property Off-Premises	\$ 15,000

The following changes apply only if Business Income and Extra Expense are covered under this policy. The Limits of Insurance for the following Business Income and Extra Expense Coverages are in addition to any other Limit of Insurance provided under this policy:

<b>Coverage</b>	<b>Limit</b>
Business Income Extension for Off-Premises Utility Services	\$ 25,000
Business Income Extension for Web Sites	\$ 10,000/7 days
Business Income from Dependent Properties	\$ 50,000
Food Contamination	\$ 25,000

The following Limit of Insurance for the following Business Income Coverage is a replacement of the Limit of Insurance provided under the Standard Property Coverage Form or the Special Property Coverage Form, whichever applies to the policy:

<b>Coverage</b>	<b>Limit</b>
Extended Business Income	60 Days

The following changes apply only if the Special Property Coverage Form applies to this policy. The Limits of Insurance for the following Additional Coverages are in addition to any other limit of insurance provided under this policy:

<b>Coverage</b>	<b>Limit</b>
Money and Securities	\$ 10,000 inside the premises/ \$ 10,000 outside the premises

The following changes apply to Loss Payment Conditions:

<b>Coverage</b>	<b>Limit</b>
Valuation Changes	
Commodity Stock	Included
"Finished Stock"	Included
Mercantile Stock - Sold	Included

## **COMMON POLICY CONDITIONS**

**QUICK REFERENCE - SPECTRUM POLICY**

**DECLARATIONS  
and  
COMMON POLICY CONDITIONS**

**I. DECLARATIONS**

Named Insured and Mailing Address  
Policy Period  
Description and Business Location  
Coverages and Limits of Insurance

**II. COMMON POLICY CONDITIONS**

**Beginning on Page**

<b>A. Cancellation</b>	<b>1</b>
<b>B. Changes</b>	<b>1</b>
<b>C. Concealment, Misrepresentation Or Fraud</b>	<b>2</b>
<b>D. Examination Of Your Books And Records</b>	<b>2</b>
<b>E. Inspections And Surveys</b>	<b>2</b>
<b>F. Insurance Under Two Or More Coverages</b>	<b>2</b>
<b>G. Liberalization</b>	<b>2</b>
<b>H. Other Insurance - Property Coverage</b>	<b>2</b>
<b>I. Premiums</b>	<b>2</b>
<b>J. Transfer Of Rights Of Recovery Against Others To Us</b>	<b>2</b>
<b>K. Transfer Of Your Rights And Duties Under This Policy</b>	<b>3</b>
<b>L. Premium Audit</b>	<b>3</b>



## COMMON POLICY CONDITIONS

All coverages of this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy:

- (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:

- (a) Seasonal unoccupancy; or
- (b) Buildings in the course of construction, renovation or addition.

Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.

- (2) After damage by a Covered Cause of Loss, permanent repairs to the building:

- (a) Have not started; and
- (b) Have not been contracted for, within 30 days of initial payment of loss.

- (3) The building has:

- (a) An outstanding order to vacate;
- (b) An outstanding demolition order; or
- (c) Been declared unsafe by governmental authority.

- (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

### (5) Failure to:

- (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or

- (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

- b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.

- c. 30 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

5. If this policy is canceled, we will send the first Named Insured any premium refund due. Such refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

**COMMON POLICY CONDITIONS****C. Concealment, Misrepresentation Or Fraud**

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This policy;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this policy.

**D. Examination Of Your Books And Records**

We may examine and audit your books and records as they relate to the policy at any time during the policy period and up to three years afterward.

**E. Inspections And Surveys**

1. We have the right but are not obligated to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. Any inspections, surveys, reports or recommendations will relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of any person. We do not represent or warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations on our behalf.

**F. Insurance Under Two Or More Coverages**

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

**G. Liberalization**

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to, or at any time during, the policy period, the broadened coverage will immediately apply to this policy.

**H. Other Insurance - Property Coverage**

If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount

due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

**I. Premiums**

1. The first Named Insured shown in the Declarations:
  - a. Is responsible for the payment of all premiums; and
  - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. If applicable, on each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
  - a. Paid to us prior to the anniversary date; and
  - b. Determined in accordance with Paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.
4. Changes in exposures or changes in your business operation, acquisition or use of locations that are not shown in the Declarations may occur during the policy period. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

**J. Transfer Of Rights Of Recovery Against Others To Us**

Applicable to Property Coverage:

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property; or
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:



**COMMON POLICY CONDITIONS**

- a. Someone insured by this insurance;
- b. A business firm:
  - (1) Owned or controlled by you; or
  - (2) That owns or controls you; or
- c. Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

**K. Transfer Of Your Rights And Duties Under This Policy**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

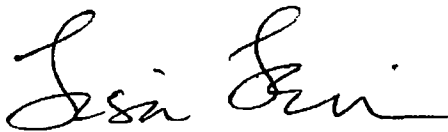
If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is

appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

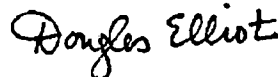
**L. Premium Audit**

- a. We will compute all premiums for this policy in accordance with our rules and rates.
- b. The premium amount shown in the Declarations is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Any additional premium found to be due as a result of the audit are due and payable on notice to the first Named Insured. If the deposit premium paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must maintain all records related to the coverage provided by this policy and necessary to finalize the premium audit, and send us copies of the same upon our request.

Our President and Secretary have signed this policy. Where required by law, the Declarations page has also been countersigned by our duly authorized representative.



Lisa Levin, Secretary



Douglas Elliot, President

## **SPECIAL PROPERTY COVERAGE FORM**

## QUICK REFERENCE

### SPECIAL PROPERTY COVERAGE FORM READ YOUR POLICY CAREFULLY

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## SPECIAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to the **SECTION G - PROPERTY DEFINITIONS**.

### A. COVERAGE

We will pay for direct physical loss of or physical damage to Covered Property at the premises described in the Declarations (also called "scheduled premises" in this policy) caused by or resulting from a Covered Cause of Loss.

#### 1. Covered Property

Covered Property as used in this policy, means the following types of property for which a Limit of Insurance is shown in the Declarations:

##### a. Buildings, meaning only building(s) and structure(s) described in the Declarations, including:

- (1) Completed additions;
- (2) Permanently installed:
  - (a) Fixtures;
  - (b) Machinery; and
  - (c) Equipment;
- (3) Outdoor fixtures;
- (4) Your personal property in apartments, rooms or common areas furnished by you as landlord;
- (5) Building Glass, meaning glass that is part of a building or structure;
- (6) Personal property owned by you that is used to maintain or service the buildings or structures on the premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering; and
- (7) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the buildings or structures;

- (b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the "scheduled premises", used for making additions, alterations or repairs to the buildings or structures.

##### b. Business Personal Property located in or on the building(s) described in the Declarations at the "scheduled premises" or in the open (or in a vehicle) within 1,000 feet of the "scheduled premises", including:

- (1) Property you own that is used in your business;
- (2) Tools and equipment owned by your employees, which are used in your business operations;
- (3) Property of others that is in your care, custody or control;
- (4) "Tenant Improvements and Betterments"; and
- (5) Leased personal property for which you have contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

#### 2. Property Not Covered

Covered Property does not include:

- a. Aircraft, automobiles, motor trucks and other vehicles subject to motor vehicle registration;
- b. Automobiles held for sale;
- c. "Money", bullion, numismatic and philatelic property and bank notes or "securities" except as provided in any Additional Coverages or Optional Coverages. Lottery tickets held for sale and postage stamps in current use and having face value are not "securities".
- d. Contraband, or property in the course of illegal transportation or trade;

**SPECIAL PROPERTY COVERAGE FORM**

- e. Land (including land on which the property is located), water, growing crops or lawns;
- f. Outdoor fences, radio or television antennas (including satellite dishes), including their lead in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than those held for sale or sold but not delivered), except as any of these may be provided in the:
  - (1) Outdoor Property Coverage Extension; or
  - (2) Outdoor Signs Optional Coverage;
- g. Watercraft (including motors, equipment and accessories) while afloat;
- h. The cost to research, replace or restore the information on "valuable papers and records", except as may be provided in any Coverage Extensions or Optional Coverages.
- i. "Data" and "software" which exists on electronic "media" including the cost to research, replace or restore them, except as may be provided for in any Additional Coverages or Optional Coverages.
- j. Accounts, bills, food stamps, other evidences of debt, accounts receivable or "valuable papers and records"; except as otherwise provided for in this policy.

**3. Covered Causes of Loss**

RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

- a. Excluded in Section B., **EXCLUSIONS**; or
- b. Limited in Paragraph A.4. Limitations; that follow.

**4. Limitations**

- a. We will not pay for direct loss of or damage to:
  - (1) Property that is missing, where the only evidence of the direct physical loss or physical damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to the Additional Coverage for "Money" and "Securities".
  - (2) Property that has been transferred to a person or to a place outside the "scheduled premises" on the basis of unauthorized instructions.
  - (3) The interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
    - (a) The building or structure first sustains physical damage by a

Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

- (b) The direct physical loss or physical damage is caused by or results from thawing of snow, sleet, or ice on the building or structure.

- b. Pets and animals are covered only if:

- (1) They are inside the building; and
- (2) They are owned by others and boarded by you, or owned by you and held for sale or sold but not delivered.

And then we will pay only if they are killed, stolen, or their destruction is made necessary by a "specified cause of loss".

- c. For direct physical loss or physical damage by "theft", the following types of property are covered only up to the limits shown:

- (1) \$2,500 for furs, fur garments and garments trimmed with fur;
- (2) \$5,000 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$500 or less per item;
- (3) \$2,500 for patterns, dies, molds and forms; and
- (4) \$500 for stamps, lottery tickets held for sale and letters of credit.

- d. Unless specifically provided under a separate endorsement and with a specific Limit of Insurance indicated in the Declarations, we will not pay for direct physical loss of or physical damage to "perishable stock" caused by or resulting from:

- (1) A change in temperature or humidity resulting from:
  - (a) Mechanical breakdown or failure of:
    - (i) Stationary heating plants; or
    - (ii) Refrigerating, cooling, or humidity control apparatus or equipment;
  - (b) Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires; or
  - (c) Complete or partial failure of electric power on your "scheduled premises".

- (2) Contamination by refrigerant.

**SPECIAL PROPERTY COVERAGE FORM****5. Additional Coverages****a. Collapse****(1) With respect to Buildings:**

- (a) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building cannot be occupied for its intended purpose;
- (b) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse;
- (c) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building;
- (d) A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion.

**(2) We will pay for direct physical loss or physical damage caused by or resulting from risks of collapse of a building or any part of a building that is insured by this policy caused only by one or more of the following:**

- (a) "Specified cause of loss" or breakage of building glass, if such loss or breakage was covered by this policy;
- (b) Decay that is hidden from view, unless the presence of such decay was known to an insured prior to collapse;
- (c) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- (d) Weight of people or personal property;
- (e) Weight of rain that collects on a roof; and
- (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

The criteria set forth in Paragraphs (1)(a) through (1)(d) do not limit the coverage otherwise provided under this Additional Coverage for the Causes of Loss listed in Paragraph (2)(a), (2)(d), and (2)(e).

**(3) If the collapse is caused by a Covered Cause of Loss listed in Paragraphs (2)(b) through (2)(f), we will pay for direct physical loss of or physical damage to the property listed below, but only if such physical loss or physical damage is a direct result of the collapse of a building insured under this policy, and the property is property covered under this policy:**

- (a) Awnings; gutters and downspouts; yard fixtures; outdoor swimming pools; piers, wharves and docks; beach or diving platforms or appurtenances; retaining walls; walks, roadways and other paved surfaces.

**(4) If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if**

- (a) The collapse was caused by a cause of loss listed in Paragraphs (2)(a) through (2)(f) of this Additional Coverage;
- (b) The personal property which collapses is inside a building; and
- (c) The property which collapses is not of a kind listed in Paragraph (3) above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph (4) does not apply to personal property if marring or scratching is the only damage to that personal property caused by the collapse.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

**(5) This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this policy.**

**SPECIAL PROPERTY COVERAGE FORM****b. Debris Removal**

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (a) The date of direct physical loss or physical damage; or
- (b) The end of the policy period.

- (2) The most we will pay under this additional Coverage is 25% of the amount we pay for the direct loss of or physical damage to Covered Property plus the deductible in this policy applicable to that physical loss or physical damage.

But this limitation does not apply to any additional Debris Removal limit provided in the Limits of Insurance section.

- (3) This Additional Coverage does not apply to costs to:

- (a) Extract "pollutants and contaminants" from land; or
- (b) Remove, restore or replace polluted or contaminated land or water.

**c. Equipment Breakdown**

- (1) We will pay for direct physical loss or physical damage caused by or resulting from an Equipment Breakdown Accident to Equipment Breakdown Property.

Equipment Breakdown Accident means:

- (a) Mechanical breakdown, including rupture or bursting caused by centrifugal force.
- (b) Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires.
- (c) Explosion of steam boilers, steam piping, steam engines or steam turbines owned or leased by you, or operated under your control.
- (d) Physical loss or physical damage to steam boilers, steam pipes, steam engines or steam turbines

caused by or resulting from any condition or event inside such boilers or equipment.

- (e) Physical loss or physical damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

Equipment Breakdown Property means Covered Property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilization of energy.

The following is not Equipment Breakdown Property:

- (a) Any structure, foundation, cabinet, compartment or air supported structure building;
- (b) Any insulating or refractory material;
- (c) Any sewer piping, any underground vessels or piping, any piping forming a part of a sprinkler system, water piping other than boiler feed water piping, boiler condensate return piping, or water piping forming a part of a refrigerating or air conditioning system;
- (d) Any vehicle or any equipment mounted on a vehicle. As used here, vehicle means any machine or apparatus that is used for transportation or moves under its own power. Vehicle includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester. However, any property that is stationary, permanently installed at a "scheduled premises" and that receives electrical power from an external power source will not be considered a vehicle.
- (e) Any equipment manufactured by you for sale.

**(2) Coverage Extensions**

The following coverage extensions apply only to direct physical loss or physical damage caused by or resulting from an Equipment Breakdown Accident:

**SPECIAL PROPERTY COVERAGE FORM****(a) Hazardous Substances**

We will pay in any one occurrence for the additional cost, not to exceed \$50,000, to repair or replace Covered Property because of contamination by a hazardous substance. This includes the expenses to clean up or dispose of such property. Hazardous substance means any substance that is hazardous to human health or that has been declared by a government agency to be hazardous to human health.

Additional cost in this extension means those beyond what would have been required had no hazardous substance been involved.

This limit is part of and not in addition to the Limits of Insurance for Covered Property.

**(b) Expediting Expenses**

With respect to your damaged Covered Property, we will pay in any one occurrence, up to \$50,000, for the reasonable and necessary additional expenses you incur to:

- (i) Make temporary repairs; or
- (ii) Expedite permanent repairs or permanent replacement.

**(c) Defense**

If a claim or "suit" is brought against you alleging that you are liable for damage to property of another in your care, custody or control directly caused by Equipment Breakdown we will either:

- (i) Settle the claim or "suit"; or
- (ii) Defend you against the claim or "suit," but keep for ourselves the right to settle it at any point.

**(d) Supplementary Payments**

We will pay, with respect to any claim or "suit" we defend:

- (i) All expenses we incur;
- (ii) The cost of bonds to release attachments, but only for bond

amounts within the Limit of Insurance. We do not have to furnish these bonds;

- (iii) All reasonable expenses incurred by you at our request to assist us in the investigation or defense of the claim or "suit" including actual loss of earnings up to \$100 a day because of time off from work;
- (iv) All costs taxed against you in any "suit" we defend;
- (v) Prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer; and
- (vi) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the Limit of Insurance shown in the Declarations.

These payments will not reduce the Limit of Insurance shown in the Declarations.

**(e) Business Income and Extra Expense Extension**

The Business Income and Extra Expense Additional Coverages are extended to provide coverage for a tenant who has a loss of income from the lack of heating, cooling or power as a result of equipment breakdown to mechanical, electrical or pressure equipment of the building owner.

- (f) If Equipment Breakdown Property requires replacement due to an Equipment Breakdown Accident, we will pay your additional cost to replace it with equipment that is better for the environment, safer or more efficient than the equipment being replaced. However, we will not pay more than 125% of what the cost would have been to repair or replace with property of



**SPECIAL PROPERTY COVERAGE FORM**

comparable material and quality. This coverage does not increase any of the applicable limits. This coverage does not apply to any property indicated as being valued on an Actual Cash Value basis.

If you wish to retrofit air conditioning or refrigeration equipment that utilizes a refrigerant containing CFC (chlorofluorocarbon) substances to accept a non-CFC refrigerant or replace the system with a system using a non-CFC refrigerant, we will consider this better for the environment. Any associated Business Income or Extra Expense will be included in determining the additional cost, if Business Income and Extra Expense apply to this policy.

**(3) Additional Condition - Bankruptcy**

The bankruptcy or insolvency of you or your estate will not relieve us of any obligation under this Additional Coverage.

**(4) Jurisdictional Inspections:**

If any boiler or pressure vessel requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf.

**d. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 in any one occurrence for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

**e. Fire Extinguisher Recharge**

We will pay to cover your expenses for recharge of your hand fire extinguishers when they are emptied while fighting fire.

**f. Forgery**

- (1) We will pay for loss resulting directly from forgery or alteration of any check, draft, promissory note, or similar written promises, orders or directions to pay a sum certain in "money" that you or your

agent has issued, or that was issued by someone who impersonates you or your agent. This includes written instruments required in conjunction with any credit, debit, or charge card issued to you or any "employee" for business purposes.

- (2) If you are sued for refusing to pay any Covered Instrument on the basis that it has been forged or altered, and you have our written consent to defend against the "suit", we will pay for any reasonable expenses that you incur and pay in that defense.

- (3) We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

- (a) Money orders, including counterfeit money orders, of any United States or Canadian post office, express company or national or state (or Canadian) chartered bank that are not paid upon presentation; and

- (b) Counterfeit United States or Canadian paper currency.

- (4) The most we will pay in any one occurrence, including legal expenses, under this Additional Coverage is \$5,000, unless a higher Limit of Insurance is shown in the Declarations.

**g. Glass Expense**

We will pay for necessary expenses incurred to:

- (1) Put up temporary plates or board up openings if repair or replacement of damaged glass is delayed;
- (2) Repair or replace encasing frames; and
- (3) Remove or replace obstructions when repairing or replacing glass that is part of a building.

This does not include removing or replacing window displays.

**h. Lock and Key Replacement**

We will pay up to \$1,000 in any one occurrence for the re-keying of locks or the repair or replacement of locks at "scheduled premises" following the theft or the attempted theft of keys by burglars.

**i. Money and Securities**

- (1) We will pay for loss of "money" and "securities" used in your business while

**SPECIAL PROPERTY COVERAGE FORM**

at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the "scheduled premises", or in transit between any of these places, resulting directly from:

- (a) "Theft";
  - (b) Disappearance; or
  - (c) Destruction.
- (2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
- (a) Resulting from accounting or arithmetical errors or omissions;
  - (b) Due to the giving or surrendering of property in any exchange or purchase; or
  - (c) Of property contained in any "money"-operated device unless a continuous recording instrument in the device records the amount of "money" deposited in the "money"-operated device.
- (3) The most we will pay for loss in any one occurrence is:
- (a) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
    - (i) In or on the "scheduled premises"; or
    - (ii) Within a bank or savings institution; and
  - (b) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.
- (4) All loss:
- (a) Caused by one or more persons; or
  - (b) Involving a single act or series of related acts;
- is considered one occurrence.
- (5) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

**j. Ordinance or Law**

- (1) If a Covered Cause of Loss occurs to covered Building property, we will pay on a "scheduled premises" any of the following costs that are caused by enforcement of an ordinance or law:

**Undamaged Part**

- (a) For loss to the undamaged portion of the Building that requires the demolition of parts of the same property not damaged by a Covered Cause of Loss provided that any such ordinance or law resulting in this type of loss:

(i) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the "scheduled premises"; and

(ii) Is in force at the time of the loss.

The most we will pay in any one occurrence for this coverage is \$25,000 as a Limit of Insurance.

**Demolition Cost**

- (b) The cost to demolish and clear the site of undamaged parts of the property caused by enforcement of a building, zoning or land use ordinance or law.

The most we will pay in any one occurrence for this coverage is \$25,000 as a Limit of Insurance.

**Increased Cost of Construction**

- (c) The increased cost to repair, rebuild or reconstruct the covered property, caused by enforcement of a building, zoning or land use ordinance or law.

The most we will pay in any one occurrence for this coverage is \$25,000 as a Limit of Insurance.

**"Tenants Improvements and Betterment"**

- (d) The increased cost to repair, rebuild or reconstruct "tenant's improvements and betterments" caused by enforcement of building, zoning or land use ordinance or law.

The most we will pay in any one occurrence for this coverage is \$25,000 as a Limit of Insurance.

**(2) Additional Exclusions**

We will not pay under this Additional Coverage for:

- (a) The enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or

**SPECIAL PROPERTY COVERAGE FORM**

remediation of property due to contamination by "pollutants and contaminants" or due to the presence, growth, proliferation, spread of any activity of "fungi", wet or dry rot, bacteria or virus; or

(b) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants or contaminants", "fungi", wet or dry rot, bacteria or virus.

(c) Loss caused by, resulting from, contributed to or aggravated by earthquake or volcanic eruption.

(d) Loss due to an ordinance or law that:

(i) You were required to comply with before the loss even if the building was undamaged; and

(ii) You failed to comply with.

**(3) Additional Limitations – Loss to Undamaged Portion of Building**

Subject to the limit stated in Paragraph A.5.j.(1)(a), the insurance provided under this Additional Coverage for loss in value to the undamaged portion of the building is limited as follows:

(a) If Replacement Cost applies and the property is repaired or replaced on the same or another premises, we will not pay more for physical loss of or physical damage to designated Building property, including loss caused by enforcement of an ordinance or law, than:

(i) The amount you actually spend to repair, rebuild or reconstruct the Building, but not for more than the amount it would cost to restore the Building on the same premises; and

(ii) The amount it would cost to restore the undamaged portion to the same height, floor area, style and comparable quality of the original property insured.

(b) If the Building(s) Full Value Endorsement applies and the property is repaired or replaced on the same or another premises, we will not pay more for physical loss of or physical damage to designated Building property, including loss caused by enforcement of an ordinance or law, than:

(i) The amount you actually spend to repair, rebuild or reconstruct the Building, but not for more than the amount it would cost to restore the Building on the same premises; and

(ii) The amount it would cost to restore the undamaged portion to the same height, floor area, style and comparable quality of the original property insured.

(c) If Replacement Cost or the Building(s) Full Value Endorsement applies and the property is not repaired or replaced, or if Actual Cash Value applies, then we will not pay more for physical loss of or physical damage to designated Building property, including loss caused by enforcement of an ordinance or law, than the lesser of:

(i) The Actual Cash Value of the Building at the time of loss; or

(ii) The Limit of Insurance applicable to the covered Building property stated in Paragraph A.5.j.(1)(a).

**(4) Additional Limitation – Demolition Cost**

We will not pay more than the lesser of:

(a) The amount actually spent to demolish and clear the site of the "scheduled premises"; or

(b) The applicable Demolition Cost Limit of Insurance as stated in Paragraph A.5.j.(1)(b).

**(5) Additional Limitation – Increased Cost of Construction**

The insurance provided under this Additional Coverage for increased cost of construction is limited as follows:

(a) We will not pay:

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- (i) Until the property is actually repaired or replaced, at the same or another premises; and
  - (ii) Unless the repairs or replacements are made as soon as reasonably possible after the physical loss or physical damage, not to exceed two years. We may extend this period in writing during the two years.
- (b) If the Building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay is the lesser of:
- (i) The increased cost of construction at the same premises; or
  - (ii) The applicable Increased Cost of Construction Limit of Insurance stated in Paragraph A.5.j.(1)(c).
- (c) If the ordinance or law requires relocation to another premises, the most we will pay is the lesser of:
- (i) The Increased Cost of Construction at the new premises; or
  - (ii) The applicable Increased Cost of Construction Limit of Insurance stated in Paragraph A.5.j.(1)(c).

**k. "Pollutants and Contaminants" Clean Up and Removal**

We will pay your expense to extract "pollutants and contaminants" from land or water at the "scheduled premises" if the discharge, dispersal, seepage, migration, release or escape of the "pollutants and contaminants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (1) The date of direct physical loss or physical damage; or
- (2) The end of the policy period.

The most we will pay in any one occurrence for each location under this Additional Coverage is \$15,000 for the sum of all such expenses arising out of Covered Causes of Loss.

**l. Preservation of Property**

If it is necessary to move Covered Property from the "scheduled premises" to preserve it from direct physical loss or physical damage by a Covered Cause of Loss, we will pay for any direct physical loss of or physical damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the direct physical loss or physical damage occurs within 45 days after the property is first moved.

**m. Theft Damage to Building**

This Additional Coverage applies only to premises where you are a tenant and are responsible in the lease for physical loss or physical damage to the building you lease, rent, or occupy that is caused by or results from "theft", burglary or robbery.

We will pay for direct physical loss or physical damage directly resulting from "theft", burglary or robbery (except loss by fire or explosion) to a building:

- (1) You occupy, including personal property that is used to maintain or service the building; or
- (2) Containing covered personal property if you are legally liable for such physical loss or physical damage.

But we will not pay for such physical loss of or physical damage to property that is away from the "scheduled premises".

**n. Water Damage, Other Liquid, Powder or Molten Material Damage**

If direct physical loss or physical damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

We will not pay the cost to repair any defect that caused the direct physical loss or physical damage except as provided in paragraph A.5.c., **Equipment Breakdown** of this coverage form. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- (1) Results in discharge of any substance from an automatic fire protection system; or

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(2) Is directly caused by freezing.

**o. Business Income**

(1) We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or physical damage to property at the "scheduled premises", including personal property in the open (or in a vehicle) within 1,000 feet of the "scheduled premises", caused by or resulting from a Covered Cause of Loss.

(2) With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the "scheduled premises" are located, your "scheduled premises" also means:

(a) The portion of the building which you rent, lease or occupy; and

(b) Any area within the building or on the site at which the "scheduled premises" are located, but only if that area services, or is used to gain access to, the "scheduled premises".

(3) We will only pay for loss of Business Income that occurs within 12 consecutive months after the date of direct physical loss or physical damage.

This Additional Coverage is not subject to the Limits of Insurance.

(4) Business Income means the:

(a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no direct physical loss or physical damage had occurred; and

(b) Continuing normal operating expenses incurred, including payroll.

(5) With respect to the coverage provided in this Additional Coverage, suspension means:

(a) The partial slowdown or complete cessation of your business activities; or

(b) That part or all of the "scheduled premises" is rendered untenable as a result of a Covered Cause of Loss if coverage for Business Income applies to the policy.

**p. Extra Expense**

(1) We will pay reasonable and necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or physical damage to property at the "scheduled premises", including personal property in the open (or in a vehicle) within 1,000 feet, caused by or resulting from a Covered Cause of Loss.

(2) With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the "scheduled premises" are located, your "scheduled premises" also means:

(a) The portion of the building which you rent, lease or occupy; and

(b) Any area within the building or on the site at which the "scheduled premises" are located, but only if that area services, or is used to gain access to, the "scheduled premises".

(3) Extra Expense means expense incurred:

(a) To avoid or minimize the suspension of business and to continue "operations":

(i) At the "scheduled premises"; or

(ii) At replacement premises or at temporary locations, including:

(aa) Relocation expenses; and

(bb) Cost to equip and operate the replacement or temporary location, other than those costs necessary to repair or to replace damaged stock and equipment.

(b) To minimize the suspension of business if you cannot continue "operations".

(c) (i) To repair or replace any property; or

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- (ii) To research, replace or restore the lost information on damaged "valuable papers and records";

to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage o., Business Income.

We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or physical damage. This Additional Coverage is not subject to the Limits of Insurance.

- (4) With respect to the coverage provided in this Additional Coverage, suspension means:

- (a) The partial slowdown or complete cessation of your business activities; or
- (b) That part or all of the "scheduled premises" is rendered untenable as a result of a Covered Cause of Loss if coverage for Extra Expense applies to the policy.

**(5) Limitation**

This Extra Expense Coverage does not apply to:

- (a) Any deficiencies in insuring building or business personal property; or
- (b) Any expense related to any recall of products you manufacture, handle or distribute.

**q. Civil Authority**

- (1) This insurance is extended to apply to the actual loss of Business Income you sustain when access to your "scheduled premises" is specifically prohibited by order of a civil authority as the direct result of a Covered Cause of Loss to property in the immediate area of your "scheduled premises".
- (2) The coverage for Business Income will begin 72 hours after the order of a civil authority and coverage will end at the earlier of:

- (a) When access is permitted to your "scheduled premises"; or

- (b) 30 consecutive days after the order of the civil authority.

**r. Extended Business Income**

- (1) If the necessary suspension of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and "operations" are resumed; and

- (b) Ends on the earlier of:

- (i) The date you could restore your "operations" with reasonable speed, to the condition that would have existed if no direct physical loss or damage occurred; or
- (ii) 30 consecutive days after the date determined in (1)(a) above.

Loss of Business Income must be caused by direct physical loss or physical damage at the "scheduled premises" caused by or resulting from a Covered Cause of Loss.

- (2) With respect to the coverage provided in this Additional Coverage, suspension means:

- (a) The partial slowdown or complete cessation of your business activities; and

- (b) That a part or all of the "scheduled premises" is rendered untenable as a result of a Covered Cause of Loss.

**s. Business Income from Dependent Properties**

- (1) We will pay for the actual loss of Business Income you sustain due to direct physical loss or physical damage at the premises of a dependent property caused by or resulting from a Covered Cause of Loss.

The most we will pay under this Additional Coverage is \$5,000 in any one occurrence unless a higher Limit of Insurance is indicated in the Declarations.

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- (2) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations", in whole or in part, by using any other available:

- (a) Source of materials; or
- (b) Outlet for your products.

- (3) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

- (4) Dependent Property means property owned, leased or operated by others whom you depend on to:

- (a) Deliver materials or services to you or to others for your account. But services do not include:

- (i) Water, communication, power services or any other utility services; or
- (ii) Any type of web site, or Internet service.

- (b) Accept your products or services;
- (c) Manufacture your products for delivery to your customers under contract for sale; or
- (d) Attract customers to your business premises.

The dependent property must be located in the coverage territory of this policy.

- (5) The coverage period for Business Income under this Additional Coverage:

- (a) Begins 72 hours after the time of direct physical loss or physical damage caused by or resulting from a Covered Cause of Loss at the premises of the dependent property; and
- (b) Ends on the date when the property at the premises of the dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

- (6) The Business Income coverage period, as stated in Paragraph (5), does not include any increased period required due to the enforcement of any ordinance or law that:

- (a) Regulates the construction, use or repair, or requires the tearing down of any property; or

- (b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects "pollutants."

- (7) The definition of Business Income contained in the Business Income Additional Coverage also applies to this Business Income From Dependent Properties Additional Coverage.

**t. Tenant Glass**

This Additional Coverage applies only to premises where you are a tenant and are responsible in the lease for such damage.

We will cover loss to glass, which is in your care, custody or control and for which the lease holds you responsible. The glass must be part of a building described in the Declarations or at a location that would be included in Coverage Extension b. Newly Acquired or Constructed Property.

The most that we will pay in any one occurrence for each location under this Additional Coverage is \$25,000.

**u. Leasehold Improvements**

If your lease is cancelled in accordance with a valid lease provision as the direct result of a Covered Cause of Loss to property at the location in which you are a tenant, and you cannot legally remove "Tenant Improvements and Betterments", we will extend Business Personal Property coverage to apply to the unamortized value of "Tenants Improvement and Betterment" that remain and that you were forced to abandon.

The most we will pay in any one occurrence for loss under this Additional Coverage is \$25,000.

**v. Lease Assessment**

Your Business Personal Property is extended to apply to your share of any assessment charged to all tenants by the building owner as a result of direct physical damage caused by or resulting from a Covered Cause of Loss to building property you occupy as agreed to in your written lease agreement.

We will pay no more than \$2,500 in any one occurrence for this Additional Coverage.

**SPECIAL PROPERTY COVERAGE FORM****6. Coverage Extensions**

Except as otherwise provided, the following Extensions apply to property located in or on the building at the "scheduled premises" or in the open (or in a vehicle) within 1,000 feet of the "scheduled premises". All Coverage Extensions are subject to the terms, conditions and exclusions of this policy, except as otherwise provided.

In addition to the Limits of Insurance, you may extend the insurance provided by this policy as follows:

**a. Accounts Receivable**

- (1) You may extend the insurance that applies to your Business Personal Property, to apply to your accounts receivable.

We will pay for:

- (a) All amounts due from your customers that you are unable to collect;
  - (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
  - (c) Collection expenses in excess of your normal collection expenses that are made necessary by the physical loss or physical damage; and
  - (d) Other reasonable expenses that you incur to reestablish your records of accounts receivable;
- that result from direct physical loss of or physical damage to your records of accounts receivable.

- (2) Paragraph A.3., Covered Causes of Loss, and Section B., Exclusions, do not apply to this Additional Coverage except for:

- (a) Paragraph B.1.b., Governmental Action;
- (b) Paragraph B.1.c., Nuclear Hazard; and
- (c) Paragraph B.1.e., War and Military Action.

**(3) Additional Exclusions**

- (a) Dishonest acts by you, anyone else with an interest in the records of accounts receivable, or your or their employees or authorized

representatives, or anyone entrusted with the records of accounts receivable, whether or not acting alone or in collusion with other persons or occurring during the hours of employment.

This exclusion does not apply to a carrier for hire.

- (b) Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money," "securities," or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- (c) Bookkeeping, accounting or billing errors or omissions.
- (d) Electrical or magnetic injury, disturbance or erasure of electronic recordings.

But we will pay for direct physical loss or physical damage caused by Lightning.

- (e) Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- (f) Unauthorized instructions to transfer property to any person or to any place.

- (4) We will not pay for direct physical loss or physical damage that requires any audit of records or any inventory computation to prove its factual existence.

- (5) The most we will pay in any one occurrence for direct physical loss of or physical damage to your accounts receivable at each "scheduled premises" is \$25,000.

- (6) The most we will pay in any one occurrence for direct physical loss of or physical damage to accounts receivables away from the "scheduled premises", including while in transit, is \$25,000.

**b. Arson and "Theft" Reward**

- (1) In the event that a covered fire loss was the result of an act of arson, we will reimburse you for rewards you pay for information leading to convictions for that act of arson.



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- (2) In the event of a covered "theft" loss, we will reimburse you for rewards you pay for information leading to convictions for the "theft" loss.

The most we will pay to reimburse you in any one occurrence for arson or "theft" rewards is \$10,000.

This is additional insurance. The deductible does not apply to these reimbursements.

**c. Data and Software**

We will pay up to \$10,000 in any one occurrence to cover your costs to research, replace or restore "data" or "software" which exists or existed on electronic or magnetic "media" that is lost or damaged as a result of direct physical loss or physical damage to "computer equipment" at the "scheduled premises".

**d. Garages, Storage Buildings and Other Appurtenant Structures**

- (1) You may extend the insurance that applies to Building to apply to garages, storage buildings and other appurtenant structures, except outdoor fixtures, at the "scheduled premises".

The most we will pay in any one occurrence for direct physical loss or physical damage under this Extension is \$50,000 at each "scheduled premises".

- (2) You may extend the insurance that applies to Business Personal Property in garages, storage buildings and other appurtenant structures at the "scheduled premises".

The most we will pay in any one occurrence for direct physical loss or physical damage under this Extension is \$5,000 at each "scheduled premises".

**e. Newly Acquired or Constructed Property**

- (1) You may extend the insurance that applies to Building to apply to:

- (a) Your new buildings while being built on the "scheduled premises"; and
- (b) Buildings you acquire at locations other than the "scheduled premises", intended for:
  - (i) Similar use as the Building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay in any one occurrence for loss or damage under this Extension is 25% of the Limit of Insurance for Building shown in the Declarations, but not more than \$500,000 at each premises.

- (2) You may extend the insurance that applies to Business Personal Property to apply to:

- (a) Property at any premises you acquire or construct;
- (b) Business Personal Property, including such property that you newly acquire, located at your newly constructed building, or
- (c) Business Personal Property that you newly acquire, located at the "scheduled premises".

This extension does not apply to:

- (a) Personal Property that you temporarily acquire in the course of installing or performing work on such property;
- (b) Personal property of others that you temporarily acquire in the course of your wholesaling activity.
- (c) Merchandise held for sale, except as provided under Paragraph C.6. Business Personal Property Limit – Seasonal Increase.

The most we will pay in any one occurrence for direct physical loss or physical damage under this Extension is \$250,000 at each premises.

- (3) You may extend the insurance that applies to Business Income and Extra Expense to apply to newly acquired or constructed locations.

The most we will pay in any one occurrence under this Extension is \$50,000.

- (4) If Covered Property is moved to a new premises endorsed onto this policy, from a "scheduled premises" being endorsed off this policy, the Limit of Insurance applicable to that vacated premises will apply proportionately to both premises as the property is moved. This coverage applies to up to 180 days after the move begins or upon completion of the move, whichever is sooner. This coverage does not apply to Business Personal Property while in transit.

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- (5) Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:

- (a) This policy expires;
- (b) 180 days after you acquire or begin to construct the property, or
- (c) You report values to us.

We will charge you additional premium for values reported from the day construction begins or you acquire the property.

**f. Outdoor Property**

You may extend the insurance provided by this policy to apply to your outdoor:

- (1) Fences, signs (other than signs attached to buildings), trees, shrubs and plants caused by or resulting from any of the following causes of loss:

- (a) Fire;
- (b) Lightning;
- (c) Explosion;
- (d) Riot or Civil Commotion; and
- (e) Aircraft.

The most we will pay in any one occurrence for direct physical loss or physical damage, including debris removal expense, under this Extension is \$10,000 but not more than \$1,000 for any one tree, shrub or plant.

- (2) Radio and television antennas (including satellite dishes) caused by or resulting from any of the following causes of loss:

- (a) Fire;
- (b) Lightning;
- (c) Windstorm;
- (d) Ice, Snow, Sleet or Hail;
- (e) Explosion;
- (f) Riot or Civil Commotion; and
- (g) Aircraft.

The most we will pay in any one occurrence for direct physical loss or physical damage, including debris removal expense, under this Extension is \$2,000.

**g. Personal Effects**

You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your officers, your partners, "managers", "members", or your employees.

The most we will pay in any one occurrence for physical loss or physical damage under this Extension is \$10,000 at each "scheduled premises".

**h. Property Off-Premises**

- (1) You may extend the insurance that applies to Building to apply to such property that is temporarily at a location you do not own, lease or operate. This Extension applies only if physical loss or physical damage is caused by or resulting from a Covered Cause of Loss. This Extension does not apply to property in course of transit.

The most we will pay in any one occurrence under this coverage extension is \$5,000.

- (2) You may extend the insurance that applies to Business Personal Property to apply to such property, other than Accounts Receivable, "money" and "securities" while:

- (a) In the course of transit and more than 1,000 feet from the "scheduled premises". Property must be in or on, but not permanently attached to or installed in, a motor vehicle you own, lease or operate while between points in the coverage territory; or
- (b) Temporarily at a premises you do not own, lease or operate.
- (c) At a premises owned, leased, operated or used by you and the Business Personal Property is a vending machine.
- (d) In or on, but not permanently attached to or installed in, motor vehicles operated by your employees in the course of your business operations.
- (e) On temporary public display, or while being used at fairs, exhibitions, expositions, or trade shows or while in transit to and from these temporary sites.

The most we will pay in any one occurrence under this Extension is \$2,500.

**i. Valuable Papers and Records - Cost of Research**

You may extend the insurance that applies to Business Personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged "valuable papers and records", for which duplicates do not exist.

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The most we will pay in any one occurrence under this Extension is \$25,000 at each "scheduled premises". For "valuable papers and records" not at the "scheduled premises", including while in transit, the most we will pay in any one occurrence is \$25,000.

**B. EXCLUSIONS**

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**a. Earth Movement**

- (1) Earthquake, meaning a shaking or trembling of the earth's crust, caused by underground tectonic forces resulting in breaking, shifting, rising, settling, sinking or lateral movement;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil, and the action of water under the ground surface;

But if Earth Movement, as described in Paragraphs (1) through (4) above, results in fire or explosion, we will pay for the physical loss or physical damage caused by that fire or explosion.

- (5) Volcanic eruption, meaning the eruption, explosion or effusion of a volcano. But if physical loss or physical damage by fire or volcanic action results, we will pay for that resulting physical damage.

Volcanic action means direct physical loss or physical damage resulting from the eruption of a volcano when the physical loss or physical damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust, or particulate matter; or
- (c) Lava flow.

- (d) All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust, or particulate matter. That does not cause direct physical loss or physical damage to Covered Property.

**b. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

**c. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination however caused.

But if physical loss or physical damage by fire results, we will pay for that resulting physical loss or physical damage.

**d. Power Failure**

The failure of power or other utility service supplied to the "scheduled premises", however caused, if the failure occurs away from the "scheduled premises". Failure includes lack of sufficient capacity and reduction in supply necessary to maintain normal operations.

But if physical loss or physical damage by a Covered Cause of Loss results, we will pay for that resulting physical loss or physical damage.

**e. War and Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**f. Water**

- (1) Flood, including the accumulation of surface water, waves, tides, tidal waves, overflow of streams or any other bodies of water, or their spray, all whether driven by wind or not;

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- (2) Mudslide or mud flow;
- (3) Water that backs up from a sewer or drain; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.
 But if loss or damage by fire, explosion or sprinkler leakage results, we will pay for that resulting physical loss or physical damage.
- (5) Water damage caused by or resulting from earthquake or volcanic eruption:
  - (a) Earthquake means a shaking or trembling of the earth's crust, caused by underground tectonic forces resulting in breaking, shifting, rising, settling, sinking or lateral movement or other movement;
  - (b) Volcanic eruption means the eruption, explosion or effusion of a volcano.
- g. Neglect**  
Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- 2. We will not pay for physical loss or physical damage caused by or resulting from:**
  - a. Consequential Losses:** Delay, loss of use or loss of market.
  - b. Smoke, Vapor, Gas:** Smoke, vapor or gas from agricultural smudging or industrial operations.
  - c. Miscellaneous Types of Loss:**
    - (1) Wear and tear;
    - (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
    - (3) Smog;
    - (4) Settling, cracking, shrinking or expansion;
    - (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, mold, spore or other animals;

- (6) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature; or
  - (c) Marring or scratching.

But if physical loss or physical damage by the "specified causes of loss", building glass breakage or Equipment Breakdown Accident results, we will pay for that resulting physical loss or physical damage.

- d. Frozen Plumbing:** Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1) You do your best to maintain heat in the building or structure; or
  - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- e. Dishonesty:** Dishonest or criminal act by you, any of your partners, "members", officers, "managers", employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
  - (1) Acting alone or in collusion with others; or
  - (2) Whether or not occurring during the hours of employment.
 This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.
- f. False Pretense:** Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- g. Exposed Property:** Rain, snow, ice or sleet to personal property in the open, except as provided in the Coverage Extension for Outdoor Property.
- h. Collapse:** Collapse, except as provided in the Additional Coverage for Collapse. But if loss or damage by a Covered Cause of Loss results at the "scheduled premises", we will pay for that resulting loss or damage.
- i. Pollution:** We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants and

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contaminants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss." But if physical loss or physical damage by the "specified causes of loss" results, we will pay for the resulting physical loss or physical damage caused by the "specified cause of loss."

3. We will not pay for loss or damage caused by or resulting from any of the following. But if physical loss or physical damage by a Covered Cause of Loss results, we will pay for that resulting physical loss or physical damage.

- a. **Weather conditions:** Weather conditions. This exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the physical loss or physical damage.
- b. **Acts or Decisions:** Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. **Negligent Work:** Faulty, inadequate or defective:
  - (1) Planning, zoning, development, surveying, siting;
  - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
  - (3) Materials used in repair, construction, renovation or remodeling; or
  - (4) Maintenance of part or all of any property on or off the "scheduled premises".

4. **Business Income and Extra Expense Exclusions.** We will not pay for:

- a. Any Extra Expense, or increase of Business Income loss, caused by or resulting from:
  - (1) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
  - (2) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration".
- b. Any other consequential loss.

**5. Equipment Breakdown Exclusion**

We will not pay for physical loss or physical damage caused by or resulting from any of the following tests:

- (a) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
- (b) An insulation breakdown test of any type of electrical equipment.

**C. LIMITS OF INSURANCE**

- 1. The most we will pay for physical loss or physical damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.
- 2. The most we will pay for physical loss of or physical damage to outdoor signs attached to buildings is \$5,000 per sign in any one occurrence.
- 3. The limits applicable to:
  - a. Coverage Extensions; and
  - b. The following Additional Coverages:
    - (1) Accounts Receivable,
    - (2) Fire Department Service Charges,
    - (3) Fire Extinguisher Recharge, and
    - (4) "Pollutants and Contaminants" Clean Up and Removal
 are in addition to the Limits of Insurance.

4. Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

- a. Preservation of Property; or
- b. Debris Removal; but if:
  - (1) The sum of direct physical loss or physical damage and Debris Removal expense exceeds the Limit of Insurance; or
  - (2) The Debris Removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage.

We will pay up to an additional \$10,000 for each location stated in the Declarations in any one occurrence under the Debris Removal Additional Coverage.

**5. Building Limit - Automatic Increase**

- a. The Limit of Insurance for Buildings will automatically increase annually by 8%.
- b. The amount of increase will be:
  - (1) The Limit of Insurance for Buildings that applied on the most recent of the policy

**SPECIAL PROPERTY COVERAGE FORM**

inception date, policy anniversary date, or the date of any other policy change amending the Buildings limit, times

- (2) The percentage of annual increase shown above, expressed as a decimal (.08); times
- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance for Buildings, divided by 365.

Example: The applicable Limit of Insurance for Buildings is \$100,000. The annual percentage increase is 8%. The number of days since the beginning of the policy period (or last policy change) is 146.

The amount of increase is:

$$\$100,000 \times .08 \times 146 \text{ divided by } 365 = \$3,200$$

**6. Business Personal Property Limit - Seasonal Increase**

- a. The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.
- b. This increase will apply only if all Limits of Insurance shown in the Declarations for Business Personal Property at the "scheduled premises" is at least 100% of your average monthly values during the lesser of:
  - (1) The 12 months immediately preceding the date the physical loss or physical damage occurs; or
  - (2) The period of time you have been in business as of the date the physical loss or physical damage occurs.

**D. DEDUCTIBLES**

1. We will not pay for physical loss or physical damage in any one occurrence until the amount of physical loss or physical damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.
2. Except as otherwise listed, the deductible applicable to Additional Coverages and Coverage Extensions is the Special Property Coverage Form is \$250.
3. A \$250 deductible applies to the following Glass Coverages, unless Glass Coverage is provided under a separate coverage form:

- a. Building Glass
- b. Glass Expense
- c. Tenant Glass

4. Unless a separate deductible is shown in the Declarations, the deductible applicable to the following Additional Coverages or Coverage Extensions is \$250, whether the coverage is provided under this coverage form, provided on a separate coverage form or the coverage is provided in a form that includes a package of coverages, such as a Stretch endorsement:

- a. Accounts Receivable;
- b. Fine Arts
- c. Outdoor Signs; and
- d. "Valuable Papers and Records";

5. Unless a separate deductible is shown in the Declarations, the deductible applicable to the following Additional Coverages or Coverage Extensions is \$100, whether the coverage is provided under this coverage form, provided on a separate coverage form or the coverage is provided in a form that includes a package of coverages, such as a Stretch endorsement:

- a. Employee Dishonesty; and
- b. Temperature Change.

6. No deductible applies to the following Coverage Extensions and Additional Coverages:

- a. Fire Extinguisher Recharge;
- b. Preservation of Property;
- c. Fire Department Service Charge;
- d. Business Income, Extra Expense, Civil Authority and Extended Business Income;
- e. Arson Reward; and
- f. Lock and Key Replacement

6. The Deductible applicable to the following Additional Coverages is the policy deductible or the deductible shown in the Declarations for the following coverage:

- a. Equipment Breakdown;
- b. Ordinance or Law Coverage; and
- c. Leasehold Improvements.

7. Each deductible applicable to this policy shall be applied separately but only to the coverage specified, and the total deductible for all losses in any one occurrence shall be the highest deductible amount that applies to the occurrence.

**E. PROPERTY LOSS CONDITIONS**

**1. Abandonment**

There can be no abandonment of any property to us.

**SPECIAL PROPERTY COVERAGE FORM****2. Appraisal**

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In that event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss.

If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

**3. Duties In The Event Of Loss Or Damage**

You must see that the following are done in the event of loss of or damage to Covered Property:

- a. Notify the police if a law may have been broken.
- b. Give us prompt notice of the physical loss or physical damage. Include a description of the property involved.
- c. As soon as possible, give us description of how, when and where the physical loss or physical damage occurred.
- d. Take all reasonable steps to protect the Covered Property from further damage by a Covered Cause of Loss. If feasible, set the damaged property aside in the best possible order for examination. Also, keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim.

This will not increase the Limits of Insurance.

- e. At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- f. Permit us to inspect the property and records proving the loss or damage. Also permit us to take samples of damaged property for inspection, testing and analysis.
- g. If requested, permit us to question you under oath at such times as may be reasonably required about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed.

- h. Send us a signed, sworn statement of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- i. Cooperate with us in the investigation or settlement of the claim.

- j. Resume part or all of your "operations" as quickly as possible.

**4. Legal Action Against Us**

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within 2 years after the date on which the direct physical loss or physical damage occurred.

**5. Loss Payment**

In the event of physical loss or physical damage covered by this policy:

- a. At our option we will either:
  - (1) Pay the value of physically lost or physically damaged property, as described in paragraph d. below;
  - (2) Pay the cost of repairing or replacing the physically lost or physically damaged property, plus any reduction in value of repaired items;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality.
- b. We will give notice of our intentions within 30 days after we receive the sworn statement of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. We will determine the value of Covered Property as follows:
  - (1) At replacement cost (without deduction for depreciation), except as provided in (2) through (7) below.
    - (a) You may make a claim for physical loss or physical damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have physical loss or physical damage settled on an actual cash value basis, you may still make a claim on a

**SPECIAL PROPERTY COVERAGE FORM**

replacement cost basis if you notify us of your intent to do so within 180 days after the physical loss or physical damage.

- (b) We will not pay on a replacement cost basis for any physical loss or physical damage:

- (i) Until the physically lost or physically damaged property is actually repaired or replaced; and
- (ii) Unless the repairs or replacement are made as soon as reasonably possible after the physical loss or physical damage.

However, if the cost to repair or replace the damaged property is \$2,500 or less, we will settle the loss according to the provisions of Paragraphs d.(1)(a) and d.(1)(b) above whether or not the actual repair or replacement is complete.

- (c) We will not pay more for physical loss or physical damage on a replacement cost basis than the least of:

- (i) The cost to replace, on the same premises, the physically lost or physically damaged property with other property of comparable material and quality and which is used for the same purpose; or
- (ii) The amount you actually spend that is necessary to repair or replace the physically lost or physically damaged property.

- (2) If the **Actual Cash Value - Buildings** option applies, as shown in the Declarations, paragraph (1) above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.

- (3) The following property at actual cash value:

- (a) Manuscripts;
- (b) Works of art, antiques or rare articles, including etchings, pictures, statuary, objects of marble, bronzes, porcelains and bric-a-brac.

- (c) Household contents, except personal property in apartments or rooms furnished by you as landlord.

- (4) Glass at the cost of replacement with safety glazing material if required by law.

- (5) "Tenants' Improvements and Betterments" at:

- (a) Replacement cost if you make repairs promptly.

- (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

- (i) Multiply the original cost by the number of days from the physical loss or physical damage to the expiration of the lease; and

- (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (c) Nothing, if others pay for repairs or replacement.

- (6) "Valuable Papers and Records", at the cost of:

- (a) Blank materials for reproducing the records; and

- (b) Labor to transcribe or copy the records.

- (7) "Money" and "Securities":

- (a) "Money" at its face value; and

- (b) "Securities" at their value at the close of business on the day the loss is discovered.

- (8) The value of United States Government Internal Revenue taxes and custom duties and refundable state and local taxes paid or fully determined on the following property held for sale will not be considered in determining the value of Covered Property:

- (a) Distilled spirits;

- (b) Wines;



**SPECIAL PROPERTY COVERAGE FORM**

- (c) Rectified products; or
  - (d) Beer.
  - (9) Applicable to Accounts Receivable:
    - (a) If you can not accurately establish the amount of the accounts receivable outstanding as of the time of physical loss or physical damage the following method will be used:
      - (i) Determine the total of the average monthly value of accounts receivable for 12 months immediately preceding the month in which the direct physical loss or physical damage occurred; and
      - (ii) Adjust the total determined in paragraph (i) above for any normal fluctuations in the value of accounts receivable for the month in which the direct physical loss or physical damage occurred for any demonstrated variance from the average of that month.
    - (b) The following will be deducted from the total value of accounts receivable, however that value is established:
      - (i) The value of the accounts for which there is no physical loss or physical damage;
      - (ii) The value of the accounts that you are able to re-establish or collect;
      - (iii) A value to allow for probable bad debts that you are normally unable to collect; and
      - (iv) All unearned interest and services charged.
  - e. Our payment for physical loss of or physical damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of physically lost or physically damaged property if other than you. If we pay the owners, such payment will satisfy your claims against us for the owners' property.  
We will not pay the owners more than their financial interest in the Covered Property.
  - f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
  - g. We will pay for covered physical loss or physical damage within 30 days after we receive the sworn statement of loss, if:
    - (1) You have complied with all of the terms of this policy; and
    - (2) (a) We have reached agreement with you on the amount of loss, or  
(b) An appraisal award has been made.
  - h. The following condition applies to any loss payment for Extra Expense:  
We will deduct from the total Extra Expense to be paid:
    - (1) The salvage value that remains of any property bought for temporary use during the Period of Restoration, once business operations are resumed; and
    - (2) Any Extra Expense that is paid for by other insurance.
- 6. Recovered Property**
- If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limits of Insurance.
- 7. Resumption of Operations**
- In the event of physical loss or physical damage at the "scheduled premises" you must resume all or part of your "operations" as quickly as possible.
- We will reduce the amount of your:
- a. Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the "scheduled premises" or elsewhere.
  - b. Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- 8. Vacancy**
- a. **Description of Terms**
    - (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in Paragraphs.

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(a) and (b) below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

(i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or

(ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

**b. Vacancy Provisions**

If the building where physical loss or physical damage occurs has been vacant for more than 60 consecutive days before that physical loss or physical damage occurs:

(1) We will not pay for any physical loss or physical damage caused by any of the following even if they are Covered Causes of Loss:

(a) Vandalism;

(b) Sprinkler leakage, unless you had protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the physical loss or physical damage by 15%.

**F. PROPERTY GENERAL CONDITIONS**

**1. Control of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Form at one or more locations will not affect coverage at any location where, at the time of physical loss or physical damage, the breach of condition does not exist.

**2. Mortgage Holders**

a. The term mortgage holder includes trustee.

b. We will pay for covered physical loss of or physical damage to buildings or structures to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.

c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgage holder will still have the right to receive loss payment if the mortgage holder:

(1) Pays any premium due under this policy at our request if you have failed to do so;

(2) Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so; and

(3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

All of the terms of this policy will then apply directly to the mortgage holder.

e. If we pay the mortgage holder for any physical loss or physical damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:

(1) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

(2) The mortgage holder's rights to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

**SPECIAL PROPERTY COVERAGE FORM**

f. If we cancel this policy, we will give written notice to the mortgage holder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your non payment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

g. If we elect not to renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

**3. No Benefit to Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**4. Policy Period, Coverage Territory**

Under this form:

a. We cover physical loss or physical damage commencing:

- (1) During the policy period shown in the Declarations; and
- (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.

But we do not cover physical loss or physical damage that is also covered by a preceding policy.

b. The coverage territory is:

- (1) The United States of America (including its territories and possessions);
- (2) Puerto Rico; and
- (3) Canada.

**5. Additional Conditions**

The following conditions apply to paragraph A.5.u., Forgery Additional Coverage:

- a. We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.
- b. You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.
- c. The Coverage Territory is revised to cover loss you sustain anywhere in the world.

**G. PROPERTY DEFINITIONS**

1. "Computer" means a programmable electronic device that can store, retrieve and process "data".

2. "Computer Equipment" means "computers", "peripheral devices", "media", and manuals that are purchased to be used in conjunction with hardware and "software".

3. "Counterfeit" means an imitation of an actual valid original which is intended to deceive and to be taken as the original.

4. "Data" means information or facts stored in a "computer's" memory, on "software" or on "media".

5. "Finished Stock" means stock you have manufactured.

"Finished Stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this policy.

6. "Manager" means a person serving in a directorial capacity for a limited liability company.

7. "Media" means the material used solely with the "computer" or "peripheral device" upon which "software" or "data" is stored, such as tapes, CD-ROMs or disks.

8. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".

9. "Messenger" means you, any any of your partners or any employee while having care and custody of the property outside your premises.

10. "Money" means:

- a. Currency, coins and bank notes whether or not in current use; and
- b. Travelers checks, registered checks and money orders held for sale to the public.

11. "Operations" means your business activities occurring at the "scheduled premises" and tenability of the "scheduled premises".

12. "Period of Restoration" means the period of time that:

- a. Begins with the date of direct physical loss or physical damage caused by or resulting from a Covered Cause of Loss at the "scheduled premises", and
- b. Ends on the date when:
  - (1) The property at the "scheduled premises" should be repaired, rebuilt or replaced with reasonable speed and similar quality;
  - (2) The date when your business is resumed at a new, permanent location.

**SPECIAL PROPERTY COVERAGE FORM**

"Period of Restoration" does not include any increased period required due to enforcement of any law that:

- a. Regulates the construction, use or repair, or required the tearing down of any property; or
- b. Regulates the prevention, control, repair, clean up or restoration of environmental damage.

The expiration date of this policy will not cut short the "period of restoration".

13. "Peripheral Device" means any physical unit used to operate the "computer" that cannot be used for purposes other than as part of the computer's system, such as tape or disk drives, printers, or modems.
14. "Perishable Stock" means personal property:
  - a. Maintained under controlled conditions for its preservation; and
  - b. Susceptible to physical loss or physical damage if the controlled conditions change.
15. "Pollutants and Contaminants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, or any other material which causes or threatens to cause physical loss, physical damage, impurity to property, unwholesomeness, undesirability, loss of marketability, loss of use of property, or which threatens human health or welfare. Waste includes materials to be recycled, reconditioned or reclaimed.
16. "Scheduled Premises" means any premises listed by location address in the Scheduled Premises section of the Declarations.
17. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or other property and includes:
  - a. Tokens, tickets except Lottery Tickets, revenue and other non-postage stamps whether or not in current use; and
  - b. Evidences of debt issued in connection with credit or charge cards, which are not of your own issue;
 but does not include "money."
18. "Software" means instructions or programs that are stored on "media" and which instruct the hardware as to how to process "data".

19. "Specified Cause of Loss" means the following:

Fire; lightning; explosion, windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. It does not include the cost of filling sinkholes.
- b. Falling objects does not include loss of or damage to:
  - (1) Personal property in the open; or
  - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

20. "Suit" means a civil proceeding and includes:

- a. An arbitration proceeding in which damages are claimed and to which you must submit or do submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which damages are claimed and to which you submit with our consent.

21. "Tenant Improvements and Betterments" means fixtures, alterations, installations or additions made a part of the Building you occupy but do not own and that you cannot legally remove; and

- a. Which are made at your expense; or
- b. That you acquired from the prior tenant at your expense.

22. "Theft" means the act of stealing.

23. "Valuable papers and records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean "money" and "securities", "data" and "software" or the materials on which the "data" and "software" is recorded.

## **BUSINESS LIABILITY COVERAGE FORM**

**QUICK REFERENCE  
BUSINESS LIABILITY COVERAGE FORM  
READ YOUR POLICY CAREFULLY**

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## BUSINESS LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the stock insurance company member of The Hartford providing this insurance.

The word "insured" means any person or organization qualifying as such under Section C. - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section G. - Liability And Medical Expenses Definitions.

### A. COVERAGES

#### 1. BUSINESS LIABILITY COVERAGE (BODILY INJURY, PROPERTY DAMAGE, PERSONAL AND ADVERTISING INJURY)

##### Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance does not apply.

We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section D. - Liability And Medical Expenses Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses to which this insurance applies.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Coverage Extension - Supplementary Payments.

- b. This insurance applies:

- (1) To "bodily injury" and "property damage" only if:

- (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (b) The "bodily injury" or "property damage" occurs during the policy period; and

- (c) Prior to the policy period, no insured listed under Paragraph 1. of Section C. - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- (2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

- c. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section C. - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

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- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
  - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- d. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
- e. **Incidental Medical Malpractice**
- (1) "Bodily injury" arising out of the rendering of or failure to render professional health care services as a physician, dentist, nurse, emergency medical technician or paramedic shall be deemed to be caused by an "occurrence", but only if:
    - (a) The physician, dentist, nurse, emergency medical technician or paramedic is employed by you to provide such services; and
    - (b) You are not engaged in the business or occupation of providing such services.
  - (2) For the purpose of determining the limits of insurance for incidental medical malpractice, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".

**2. MEDICAL EXPENSES****Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
  - (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
 provided that:
  - (1) The accident takes place in the "coverage territory" and during the policy period;
  - (2) The expenses are incurred and reported to us within three years of the date of the accident; and
  - (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
  - (1) First aid administered at the time of an accident;
  - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
  - (3) Necessary ambulance, hospital, professional nursing and funeral services.

**3. COVERAGE EXTENSION -  
SUPPLEMENTARY PAYMENTS**

- a. We will pay, with respect to any claim or "suit" we investigate or settle, or any "suit" against an insured we defend:
  - (1) All expenses we incur.
  - (2) Up to \$1,000 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
  - (3) The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - (4) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.
  - (5) All costs taxed against the insured in the "suit".
  - (6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
  - (7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

Any amounts paid under (1) through (7) above will not reduce the limits of insurance.



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b. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- (1) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- (2) This insurance applies to such liability assumed by the insured;
- (3) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- (4) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interest of the indemnitee;
- (5) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- (6) The indemnitee:
  - (a) Agrees in writing to:
    - (i) Cooperate with us in the investigation, settlement or defense of the "suit";
    - (ii) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
    - (iii) Notify any other insurer whose coverage is available to the indemnitee; and
    - (iv) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
  - (b) Provides us with written authorization to:
    - (i) Obtain records and other information related to the "suit"; and
    - (ii) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments.

Notwithstanding the provisions of Paragraph 1.b.(b) of Section B. – Exclusions, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- (1) We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- (2) The conditions set forth above, or the terms of the agreement described in Paragraph (6) above, are no longer met.

**B. EXCLUSIONS****1. Applicable To Business Liability Coverage**

This insurance does not apply to:

**a. Expected Or Intended Injury**

- (1) "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property; or
- (2) "Personal and advertising injury" arising out of an offense committed by, at the direction of or with the consent or acquiescence of the insured with the expectation of inflicting "personal and advertising injury".

**b. Contractual Liability**

- (1) "Bodily injury" or "property damage"; or
- (2) "Personal and advertising injury"

for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages because of:

- (a) "Bodily injury", "property damage" or "personal and advertising injury" that the insured would have in the absence of the contract or agreement; or

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(b) "Bodily injury" or "property damage" assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purpose of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage" provided:

- (i) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract", and
- (ii) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

**c. Liquor Liability**

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

**d. Workers' Compensation And Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

**e. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business, or

- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any insured. However, this subparagraph does not apply to:

- (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

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- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i) Any insured; or
    - (ii) Any person or organization for whom you may be legally responsible;
  - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
    - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
    - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or
  - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".
- However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

**BUSINESS LIABILITY COVERAGE FORM****g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 51 feet long; and
  - (b) Not being used to carry persons for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment"; or
- (6) An aircraft that is not owned by any insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis.

**h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

- (2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

**i. War**

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**j. Professional Services**

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications;
- (3) Supervisory, inspection, architectural or engineering activities;
- (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

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- (8) Optometry or optometric services including but not limited to examination of the eyes and the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products;
- (9) Any:
  - (a) Body piercing (not including ear piercing);
  - (b) Tattooing, including but not limited to the insertion of pigments into or under the skin; and
  - (c) Similar services;
- (10) Services in the practice of pharmacy; and
- (11) Computer consulting, design or programming services, including web site design.

Paragraphs (4) and (5) of this exclusion do not apply to the Incidental Medical Malpractice coverage afforded under Paragraph 1.e. in Section A. - Coverages.

**k. Damage To Property**

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in Section D. - Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3) and (4) of this exclusion do not apply to the use of elevators.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraphs (3) and (4) of this exclusion do not apply to "property damage" to borrowed equipment while not being used to perform operations at a job site.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**l. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**m. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**n. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**BUSINESS LIABILITY COVERAGE FORM****o. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**p. Personal And Advertising Injury**

"Personal and advertising injury":

- (1) Arising out of oral, written or electronic publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (2) Arising out of oral, written or electronic publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of a criminal act committed by or at the direction of the insured;
- (4) Arising out of any breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement";
- (5) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (6) Arising out of the wrong description of the price of goods, products or services;
- (7) Arising out of any violation of any intellectual property rights such as copyright, patent, trademark, trade name, trade secret, service mark or other designation of origin or authenticity.

However, this exclusion does not apply to infringement, in your "advertisement", of

- (a) Copyright;
- (b) Slogan, unless the slogan is also a trademark, trade name, service mark or other designation of origin or authenticity; or

(c) Title of any literary or artistic work;

- (8) Arising out of an offense committed by an insured whose business is:

- (a) Advertising, broadcasting, publishing or telecasting;
- (b) Designing or determining content of web sites for others; or
- (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a., b. and c. under the definition of "personal and advertising injury" in Section G. – Liability And Medical Expenses Definitions.

For the purposes of this exclusion, placing an "advertisement" for or linking to others on your web site, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting;

- (9) Arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control;
- (10) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers;
- (11) Arising out of the violation of a person's right of privacy created by any state or federal act.

However, this exclusion does not apply to liability for damages that the insured would have in the absence of such state or federal act;

- (12) Arising out of:

- (a) An "advertisement" for others on your web site;
- (b) Placing a link to a web site of others on your web site;
- (c) Content from a web site of others displayed within a frame or border on your web site. Content includes information, code, sounds, text, graphics or images; or
- (d) Computer code, software or programming used to enable:
  - (i) Your web site; or
  - (ii) The presentation or functionality of an "advertisement" or other content on your web site;

**BUSINESS LIABILITY COVERAGE FORM**

- (13) Arising out of a violation of any anti-trust law;
- (14) Arising out of the fluctuation in price or value of any stocks, bonds or other securities; or
- (15) Arising out of discrimination or humiliation committed by or at the direction of any "executive officer", director, stockholder, partner or member of the insured.

**q. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

**r. Employment-Related Practices**

"Bodily injury" or "personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to the person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**s. Asbestos**

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the "asbestos hazard".
- (2) Any damages, judgments, settlements, loss, costs or expenses that:

- (a) May be awarded or incurred by reason of any claim or suit alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the "asbestos hazard";
- (b) Arise out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an "asbestos hazard"; or
- (c) Arise out of any claim or suit for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an "asbestos hazard".

**t. Violation Of Statutes That Govern E-Mails, Fax, Phone Calls Or Other Methods Of Sending Material Or Information**

"Bodily injury", "property damage", or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

**Damage To Premises Rented To You – Exception For Damage By Fire, Lightning or Explosion**

Exclusions c. through h. and k. through o. do not apply to damage by fire, lightning or explosion to premises rented to you or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in Section D. - Liability And Medical Expenses Limits Of Insurance.

**BUSINESS LIABILITY COVERAGE FORM****2. Applicable To Medical Expenses Coverage**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers' Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

**f. Products-Completed Operations Hazard**

Included with the "products-completed operations hazard".

**g. Business Liability Exclusions**

Excluded under Business Liability Coverage.

**C. WHO IS AN INSURED****1. If you are designated in the Declarations as:**

- a.** An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b.** A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c.** A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d.** An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

- e.** A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

**2. Each of the following is also an insured:****a. Employees And Volunteer Workers**

Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, none of these "employees" or "volunteer workers" are insureds for:

**(1) "Bodily injury" or "personal and advertising injury":**

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

- (b)** To the spouse, child, parent, brother or sister of that co-"employee" or that "volunteer worker" as a consequence of Paragraph **(1)(a)** above;

- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or

- (d)** Arising out of his or her providing or failing to provide professional health care services.

If you are not in the business of providing professional health care services, Paragraph **(d)** does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services.

**(2) "Property damage" to property:**

- (a)** Owned, occupied or used by,



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- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

**b. Real Estate Manager**

Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

**c. Temporary Custodians Of Your Property**

Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

**d. Legal Representative If You Die**

Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this insurance.

**e. Unnamed Subsidiary**

Any subsidiary and subsidiary thereof, of yours which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of this Coverage Part.

The insurance afforded herein for any subsidiary not shown in the Declarations as a named insured does not apply to injury or damage with respect to which an insured under this insurance is also an insured under another policy or would be an insured under such policy but for its termination or upon the exhaustion of its limits of insurance.

**3. Newly Acquired Or Formed Organization**

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial interest of more than 50% of the voting stock, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and

- b. Coverage under this provision does not apply to:

- (1) "Bodily injury" or "property damage" that occurred; or
- (2) "Personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

**4. Operator Of Mobile Equipment**

With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

**5. Operator of Nonowned Watercraft**

With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability.

However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person operating the watercraft; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

**6. Additional Insureds When Required By Written Contract, Written Agreement Or Permit**

The person(s) or organization(s) identified in Paragraphs a. through f. below are additional insureds when you have agreed, in a written

**BUSINESS LIABILITY COVERAGE FORM**

contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional insured on your policy, provided the injury or damage occurs subsequent to the execution of the contract or agreement, or the issuance of the permit.

A person or organization is an additional insured under this provision only for that period of time required by the contract, agreement or permit.

However, no such person or organization is an additional insured under this provision if such person or organization is included as an additional insured by an endorsement issued by us and made a part of this Coverage Part, including all persons or organizations added as additional insureds under the specific additional insured coverage grants in Section F. – Optional Additional Insured Coverages.

**a. Vendors**

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

- (1) The insurance afforded to the vendor is subject to the following additional exclusions:

This insurance does not apply to:

- (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in the product made intentionally by the vendor;
- (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (i) The exceptions contained in Subparagraphs (d) or (f); or

- (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

**b. Lessors Of Equipment**

- (1) Any person or organization from whom you lease equipment; but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

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- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

**c. Lessors Of Land Or Premises**

- (1) Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
- (a) Any "occurrence" which takes place after you cease to lease that land or be a tenant in that premises; or
  - (b) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

**d. Architects, Engineers Or Surveyors**

- (1) Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
- (a) In connection with your premises; or
  - (b) In the performance of your ongoing operations performed by you or on your behalf.
- (2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:
- This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:
- (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
  - (b) Supervisory, inspection, architectural or engineering activities.

**e. Permits Issued By State Or Political Subdivisions**

- (1) Any state or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
- (a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
  - (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

**f. Any Other Party**

- (1) Any other person or organization who is not an insured under Paragraphs a. through e. above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
- (a) In the performance of your ongoing operations;
  - (b) In connection with your premises owned by or rented to you; or
  - (c) In connection with "your work" and included within the "products-completed operations hazard", but only if
    - (i) The written contract or written agreement requires you to provide such coverage to such additional insured; and
    - (ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
- "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

**BUSINESS LIABILITY COVERAGE FORM**

(a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

(b) Supervisory, inspection, architectural or engineering activities.

The limits of insurance that apply to additional insureds are described in Section D. – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. – Liability And Medical Expenses General Conditions.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

## **D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE**

### **1. The Most We Will Pay**

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

### **2. Aggregate Limits**

The most we will pay for:

- a. Damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" is the Products-Completed Operations Aggregate Limit shown in the Declarations.
- b. Damages because of all other "bodily injury", "property damage" or "personal and advertising injury", including medical expenses, is the General Aggregate Limit shown in the Declarations.

This General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or right-of-way of a railroad.

This General Aggregate limit does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire, lightning or explosion.

### **3. Each Occurrence Limit**

Subject to 2.a. or 2.b above, whichever applies, the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and medical expenses arising out of any one "occurrence" is the Liability and Medical Expenses Limit shown in the Declarations.

The most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses Limit shown in the Declarations.

### **4. Personal And Advertising Injury Limit**

Subject to 2.b. above, the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization is the Personal and Advertising Injury Limit shown in the Declarations.

### **5. Damage To Premises Rented To You Limit**

The Damage To Premises Rented To You Limit is the most we will pay under Business Liability Coverage for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner.

In the case of damage by fire, lightning or explosion, the Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of these.

### **6. How Limits Apply To Additional Insureds**

The most we will pay on behalf of a person or organization who is an additional insured under this Coverage Part is the lesser of:

- a. The limits of insurance specified in a written contract, written agreement or permit issued by a state or political subdivision; or
- b. The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to the Limits of Insurance shown in the Declarations and described in this Section.

**BUSINESS LIABILITY COVERAGE FORM**

If more than one limit of insurance under this policy and any endorsements attached thereto applies to any claim or "suit", the most we will pay under this policy and the endorsements is the single highest limit of liability of all coverages applicable to such claim or "suit". However, this paragraph does not apply to the Medical Expenses limit set forth in Paragraph 3. above.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

## **E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS**

### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

### **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

#### **a. Notice Of Occurrence Or Offense**

You or any additional insured must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

#### **b. Notice Of Claim**

If a claim is made or "suit" is brought against any insured, you or any additional insured must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You or any additional insured must see to it that we receive a written notice of the claim or "suit" as soon as practicable.

#### **c. Assistance And Cooperation Of The Insured**

You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

#### **d. Obligations At The Insured's Own Cost**

No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

#### **e. Additional Insured's Other Insurance**

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance.

#### **f. Knowledge Of An Occurrence, Offense, Claim Or Suit**

Paragraphs a. and b. apply to you or to any additional insured only when such "occurrence", offense, claim or "suit" is known to:

- (1) You or any additional insured that is an individual;
- (2) Any partner, if you or an additional insured is a partnership;
- (3) Any manager, if you or an additional insured is a limited liability company;
- (4) Any "executive officer" or insurance manager, if you or an additional insured is a corporation;
- (5) Any trustee, if you or an additional insured is a trust; or
- (6) Any elected or appointed official, if you or an additional insured is a political subdivision or public entity.

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This Paragraph f. applies separately to you and any additional insured.

**3. Financial Responsibility Laws**

- a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.
- b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

**4. Legal Action Against Us**

No person or organization has a right under this Coverage Form:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this insurance or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

**5. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom a claim is made or "suit" is brought.

**6. Representations****a. When You Accept This Policy**

By accepting this policy, you agree:

- (1) The statements in the Declarations are accurate and complete;
- (2) Those statements are based upon representations you made to us; and

- (3) We have issued this policy in reliance upon your representations.

**b. Unintentional Failure To Disclose Hazards**

If unintentionally you should fail to disclose all hazards relating to the conduct of your business at the inception date of this Coverage Part, we shall not deny any coverage under this Coverage Part because of such failure.

**7. Other Insurance**

If other valid and collectible insurance is available for a loss we cover under this Coverage Part, our obligations are limited as follows:

**a. Primary Insurance**

This insurance is primary except when b. below applies. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

**b. Excess Insurance**

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

**(1) Your Work**

That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

**(2) Premises Rented To You**

That is fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;

**(3) Tenant Liability**

That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;

**(4) Aircraft, Auto Or Watercraft**

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section A. – Coverages.

**(5) Property Damage To Borrowed Equipment Or Use Of Elevators**

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion k. of Section A. – Coverages.

**BUSINESS LIABILITY COVERAGE FORM****(6) When You Are Added As An Additional Insured To Other Insurance**

That is other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance; or

**(7) When You Add Others As An Additional Insured To This Insurance**

That is other insurance available to an additional insured.

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this Coverage Part:

**(a) Primary Insurance When Required By Contract**

This insurance is primary if you have agreed in a written contract, written agreement or permit that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

**(b) Primary And Non-Contributory To Other Insurance When Required By Contract**

If you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs (a) and (b) do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty under this Coverage Part to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

**c. Method Of Sharing**

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**8. Transfer Of Rights Of Recovery Against Others To Us****a. Transfer Of Rights Of Recovery**

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

**b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)**

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

**BUSINESS LIABILITY COVERAGE FORM****F. OPTIONAL ADDITIONAL INSURED COVERAGES**

If listed or shown as applicable in the Declarations, one or more of the following Optional Additional Insured Coverages also apply. When any of these Optional Additional Insured Coverages apply, Paragraph 6. (Additional Insureds When Required by Written Contract, Written Agreement or Permit) of Section C., Who Is An Insured, does not apply to the person or organization shown in the Declarations. These coverages are subject to the terms and conditions applicable to Business Liability Coverage in this policy, except as provided below:

**1. Additional Insured - Designated Person Or Organization**

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- a. In the performance of your ongoing operations; or
- b. In connection with your premises owned by or rented to you.

**2. Additional Insured - Managers Or Lessors Of Premises**

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Designated Person Or Organization; but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Declarations.

- b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

**3. Additional Insured - Grantor Of Franchise**

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Grantor Of Franchise, but only with respect to their liability as grantor of franchise to you.

**4. Additional Insured - Lessor Of Leased Equipment**

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Lessor of Leased Equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

- b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

**5. Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased**

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you and shown in the Declarations.

- b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" that takes place after you cease to lease that land; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

**6. Additional Insured - State Or Political Subdivision - Permits**

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the state or political subdivision shown in the Declarations as an Additional



**BUSINESS LIABILITY COVERAGE FORM**

Insured – State Or Political Subdivision - Permits, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

- b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
- (2) "Bodily injury" or "property damage" included in the "product-completed operations" hazard.

**7. Additional Insured – Vendors**

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) (referred to below as vendor) shown in the Declarations as an Additional Insured - Vendor, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
- b. The insurance afforded to the vendor is subject to the following additional exclusions:

- (1) This insurance does not apply to:

- (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in the product made intentionally by the vendor;
- (d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (i) The exceptions contained in Subparagraphs (d) or (f); or

- (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

**8. Additional Insured – Controlling Interest**

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Controlling Interest, but only with respect to their liability arising out of:

- a. Their financial control of you; or
- b. Premises they own, maintain or control while you lease or occupy these premises.

**BUSINESS LIABILITY COVERAGE FORM**

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**9. Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization**

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owner, Lessees Or Contractors, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

(1) In the performance of your ongoing operations for the additional insured(s); or

(2) In connection with "your work" performed for that additional insured and included within the "products-completed operations hazard", but only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to "bodily injury", "property damage" or "personal an advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

(1) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

(2) Supervisory, inspection, architectural or engineering activities.

**10. Additional Insured – Co-Owner Of Insured Premises**

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or Organization(s) shown in the Declarations as an Additional Insured – Co-Owner Of Insured Premises, but only with respect to their liability as co-owner of the premises shown in the Declarations.

The limits of insurance that apply to additional insureds are described in Section D. – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. – Liability And Medical Expenses General Conditions.

**G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS**

1. "Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through:

- a. (1) Radio;
- (2) Television;
- (3) Billboard;
- (4) Magazine;
- (5) Newspaper;

b. The Internet, but only that part of a web site that is about goods, products or services for the purposes of inducing the sale of goods, products or services; or

c. Any other publication that is given widespread public distribution.

However, "advertisement" does not include:

a. The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or

b. An interactive conversation between or among persons through a computer network.

2. "Advertising idea" means any idea for an "advertisement".

3. "Asbestos hazard" means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

4. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

5. "Bodily injury" means physical:

- a. Injury;
- b. Sickness; or
- c. Disease

sustained by a person and, if arising out of the above, mental anguish or death at any time.

6. "Coverage territory" means:

**BUSINESS LIABILITY COVERAGE FORM**

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above;
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in a. above;
    - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in the United States of America (including its territories and possessions), Puerto Rico or Canada, in a "suit" on the merits according to the substantive law in such territory, or in a settlement we agree to.
7. "Electronic data" means information, facts or programs:
- a. Stored as or on;
  - b. Created or used on; or
  - c. Transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
10. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
11. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by:
- a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
  - b. Your fulfilling the terms of the contract or agreement.
12. "Insured contract" means:
- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or explosion to premises while rented to you or temporarily occupied by you with permission of the owner is subject to the Damage To Premises Rented To You limit described in Section D. – Liability and Medical Expenses Limits of Insurance.
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, including an easement or license agreement in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. Any obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement; or
  - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- Paragraph f. includes that part of any contract or agreement that indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.
- However, Paragraph f. does not include that part of any contract or agreement:

**BUSINESS LIABILITY COVERAGE FORM**

- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
    - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
  - (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (1) above and supervisory, inspection, architectural or engineering activities.
13. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
14. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
  - b. While it is in or on an aircraft, watercraft or "auto"; or
  - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  - b. Vehicles maintained for use solely on or next to premises you own or rent;
  - c. Vehicles that travel on crawler treads;
  - d. Vehicles, whether self-propelled or not, on which are permanently mounted:
    - (1) Power cranes, shovels, loaders, diggers or drills; or
    - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
  - e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
    - (2) Cherry pickers and similar devices used to raise or lower workers;
  - f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.
- However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
- (1) Equipment, of at least 1,000 pounds gross vehicle weight, designed primarily for:
    - (a) Snow removal;
    - (b) Road maintenance, but not construction or resurfacing; or
    - (c) Street cleaning;
  - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
  - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
16. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
17. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;

**BUSINESS LIABILITY COVERAGE FORM**

- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that the person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - e. Oral, written or electronic publication of material that violates a person's right of privacy;
  - f. Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement";
  - g. Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement"; or
  - h. Discrimination or humiliation that results in injury to the feelings or reputation of a natural person.
- 18. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.**
- 19. "Products-completed operations hazard";**
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
    - (1) Products that are still in your physical possession; or
    - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed to be completed at the earliest of the following times:
      - (a) When all of the work called for in your contract has been completed.
      - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
      - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.
- b. Does not include "bodily injury" or "property damage" arising out of:
    - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
    - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.
- 20. "Property damage" means:**
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
  - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of "occurrence" that caused it.
- As used in this definition, "electronic data" is not tangible property.
- 21. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:**
- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
- 22. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.**
- 23. "Volunteer worker" means a person who:**
- a. Is not your "employee";

**BUSINESS LIABILITY COVERAGE FORM**

- b. Donates his or her work;
- c. Acts at the direction of and within the scope of duties determined by you; and
- d. Is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

**24. "Your product":**

**a. Means:**

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a) You;
  - (b) Others trading under your name; or
  - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

- (2) The providing of or failure to provide warnings or instructions.

- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

**25. "Your work":**

**a. Means:**

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **BUSINESS LIABILITY COVERAGE FORM AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **BUSINESS LIABILITY COVERAGE FORM**

- A.** Sub-subparagraphs 1.p. (7), (8), (15) of Paragraph 2., of Section B. **Exclusions** are deleted and replaced with the following:

**p. Personal and Advertising Injury:**

- (7) (a) Arising out of any actual or alleged infringement or violation of any intellectual property right, such as copyright, patent, trademark, trade name, trade secret, service mark or other designation of origin or authenticity; or
- (b) Any injury or damage alleged in any claim or "suit" that also alleges an infringement or violation of any intellectual property right, whether such allegation of infringement or violation is made by you or by any other party involved in the claim or "suit", regardless of whether this insurance would otherwise apply.

However, this exclusion does not apply if the only allegation in the claim or "suit" involving any intellectual property right is limited to:

- (1) Infringement, in your "advertisement", of:
- (a) Copyright;
  - (b) Slogan; or
  - (c) Title of any literary or artistic work; or
- (2) Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement".
- (8) Arising out of an offense committed by an insured whose business is:
- (a) Advertising, broadcasting, publishing or telecasting;
  - (b) Designing or determining content of web sites for others; or

- (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a., b. and c. of the definition of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

- (15) Arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information. This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

- B.** Subparagraph 1.r. of Section B. **Exclusions** is deleted and replaced with the following:

**r. Employment-Related Practices**

"Personal and advertising injury" to:

- (1) A person arising out of any "employment-related practices"; or

- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any "employment-related practices" are directed.

This exclusion applies:

- (a) Whether the injury-causing event described in the definition of "employment-related practices" occurs before employment, during employment or after employment of that person;
- (b) Whether the insured may be liable as an employer or in any other capacity; and
- (c) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

- C. Subparagraph 1.q. "Electronic Data" of Section B. **Exclusions** is deleted and replaced with the following:

q. **Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

- (1) Damages, other than damages because of "personal and advertising injury", arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

- D. Sub-subparagraph 7.b.(1) Other Insurance of Section E. **Liability and Medical Expenses General Conditions** is deleted and replaced with the following:

b. **Excess Insurance**

(1) **Your Work**

That is Fire, Extended Coverage, Builder's Risk, Installation Risk, Owner Controlled Insurance Program or OCIP, Wrap Up Insurance or similar coverage for "your work".

- E. Subparagraph 17. c. "Personal and Advertising Injury" of Section G, **Liability and Medical Expenses Definitions** is deleted and replaced with the following:

"Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person or organization occupies, committed by or on behalf of its owner, landlord or lessor;

- F. Subparagraph 17.h. of Section G, **Liability and Medical Expenses Definitions** deleted.





**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SPECIAL PROPERTY COVERAGE AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **SPECIAL PROPERTY COVERAGE FORM**

**A. The following changes are made to Paragraph A.5., Additional Coverages:**

- 1. Paragraph f., Forgery is deleted and replaced with the following:**

**f. Forgery**

- (1)** We will pay for loss resulting directly from forgery or alteration of any check, draft, promissory note, or bill of exchange or similar written promise of payment in "money" that you or your agent has issued, or that was issued by someone who impersonates you or your agent. This includes written instruments required in conjunction with any credit, debit, or charge card issued to you or any employee for business purposes.
- (2)** If you are sued for refusing to pay the check, draft, promissory note, or bill of exchange or similar written promise of payment in "money" on the basis that it has been forged or altered, and you have our written consent to defend against the "suit", we will pay for any reasonable expenses that you incur and pay in that defense.
- (3)** We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:
  - (a)** Money orders, including counterfeit money orders, issued by any post office, express company or bank that are not paid upon presentation; and
  - (b)** Counterfeit United States or Canadian paper currency.

- (4)** For the purpose of this Coverage Extension, check includes a substitute check as defined in the Check Clearing for the 21st Century Act and will be treated the same as the original it replaced.

- (5)** We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.

- (6)** The most we will pay in any one occurrence, including legal expenses, under this Additional Coverage is \$5,000, unless a higher Limit of Insurance is shown in the Declarations.

- 2. Paragraph i.(2)(c) of the Money and Securities Additional Coverage is deleted and replaced with the following:**

- (c)** Loss or damage to "money" and "securities" following and directly related to the use of any "computer" to fraudulently cause a transfer of that property.

**B. The following changes are made to Section B., EXCLUSIONS**

- 1. Paragraph 1.a., Earth Movement is amended to add the following:**

This Exclusion applies regardless of whether any of the following is caused by weather, an act of nature, by an artificial, man-made or other cause.

- 2. The following is exclusion is added to Paragraph 1.:**

**Electronic Vandalism or Corruption of "Electronic Data" or Corruption of "Computer Equipment"**

This exclusion does not apply to Electronic Vandalism, form SS 14 29 or Electronic Vandalism, form SS 40 08 if either form has been made part of this policy.

- (1) Destruction or corruption of "electronic data" caused by a virus, malicious code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation.
- (2) Unauthorized viewing, copying or use of electronic data (or any proprietary or confidential information or intellectual property in any form) by any person, even if such activity is characterized as "theft";
- (3) Errors or omissions in programming or processing "electronic data";
- (4) Errors or deficiency in design, installation, maintenance, repair or modification of your computer system or any computer system or network to which your system is connected or on which your system depends (including "electronic data");
- (5) Manipulation of your computer system, including "electronic data", by an employee, volunteer worker or contractor, for the purpose of diverting or destroying "electronic data" or causing fraudulent or illegal transfer of any property;
- (6) Interruption in normal computer function or network service or function due to insufficient capacity to process transactions or to an overload of activity on the system or network;
- (7) Unexplained or indeterminable failure, malfunction or slowdown of a computer system, including "electronic data" and the inability to access or properly manipulate the "electronic data";
- (8) Complete or substantial failure, disablement or shutdown of the Internet, regardless of the cause;
- (9) The inability of a computer system to correctly recognize, process, distinguish, interpret or accept one or more dates or times.

But if direct physical loss or direct physical damage occurs to Covered Property from a resulting Covered Cause of Loss, we will

pay for that resulting direct physical loss or direct physical damage. Mere loss of use or loss of functionality of any property is not considered physical loss or physical damage.

3. Paragraph 2. is deleted and replaced with the following:

We will not pay for loss or damage caused by or resulting from:

- a. **Consequential Losses:** Delay, loss of use or loss of market.
- b. **Smoke, Vapor, Gas:** Smoke, vapor or gas from agricultural smudging or industrial operations.
- c. **Miscellaneous Types of Loss:**
  - (1) Wear and tear;
  - (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
  - (3) Smog;
  - (4) Settling, cracking, shrinking or expansion;
  - (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, mold, spore or other animals;
  - (6) The following causes of loss to personal property:
    - (a) Dampness or dryness of atmosphere;
    - (b) Changes in or extremes of temperature; or
    - (c) Marring or scratching.

But if physical loss or physical damage by the "specified causes of loss", building glass breakage or Equipment Breakdown Accident results, we will pay for that resulting physical loss or physical damage.
- d. **Frozen Plumbing:** Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1) You do your best to maintain heat in the building or structure; or
  - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- e. **Dishonesty:** Dishonest or criminal act by you, any of your partners, "members", officers, "managers", employees,

directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

- f. **False Pretense:** Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- g. **Exposed Property:** Rain, snow, ice or sleet to personal property in the open, except as provided in the Coverage Extension for Outdoor Property.
- h. **Collapse:** Collapse, except as provided in the Additional Coverage for Collapse. But if loss or damage by a Covered Cause of Loss results at the "scheduled premises", we will pay for that resulting loss or damage.
- i. **Pollution:** We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants and contaminants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss." But if physical loss or physical damage by the "specified causes of loss" results, we will pay for the resulting physical loss or physical damage caused by the "specified cause of loss."

C. Definition 4., "Data", of Section G., **PROPERTY DEFINITIONS** is deleted and replaced with the following.

4. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a "computer" or device connected to it, which enable the "computer" or device to receive, process, store, retrieve or send data.

"Electronic data" it is not considered physical property under this Coverage Part and is covered only as expressly provided for in this Coverage Part. Any such coverage does not indicate that "electronic data" is considered to be tangible property subject to physical loss or physical damage for purposes of any business interruption coverage or other coverage that requires physical loss or physical damage.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**BUSINESS LIABILITY COVERAGE FORM  
AMENDATORY ENDORSEMENT-  
SUPPLEMENTARY PAYMENTS**

This endorsement modifies insurance provided under the following:

**BUSINESS LIABILITY COVERAGE FORM**

A. Sub-subparagraph 3.a.(5) of Paragraph 3., Section A. **Coverages** is deleted and replaced with the following:

**3. Coverage Extension - Supplementary Payments:**

- a. (5) All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MASSACHUSETTS CHANGES**

This endorsement modifies insurance provided under the following:

**COMMON POLICY CONDITIONS  
STANDARD PROPERTY COVERAGE FORM  
SPECIAL PROPERTY COVERAGE FORM  
BUSINESS LIABILITY COVERAGE FORM  
LIQUOR LIABILITY INSURANCE  
LIMITED FUNGI, BACTERIA OR VIRUS COVERAGE  
ORDINANCE OR LAW COVERAGE  
ORDINANCE OR LAW COVERAGE (INCLUDING EARTHQUAKE)  
ORDINANCE OR LAW COVERAGE - BROAD FORM  
MORTGAGEHOLDER'S ERRORS AND OMISSIONS COVERAGE FORM**

**I. Provision A. modifies the COMMON POLICY CONDITIONS:**

- A.** The following paragraph is added and supersedes any provisions to the contrary:

**Nonrenewal**

This provision applies to coverage on real property which is used predominantly for residential purposes and consists of not more than four dwelling units, and to coverage on personal property of a person residing in such real property.

1. Ordinarily we will renew this policy automatically and send you the renewal notice. Our notice will explain what you should do if you do not want to continue this policy.
2. We may elect not to renew this policy. We may do so by delivering to you or mailing to you at your last mailing address shown in the Declarations, written notice of nonrenewal, accompanied by the specific reasons for nonrenewal, at least 45 days before the expiration date of this policy. However, if your policy was executed on behalf of us, in whole or in part, by or on behalf of your insurance agent or our insurance broker, we will send such written notice only to the agent or broker. Every insurance agent or broker receiving this notice is required by law to, within 15 days of its receipt, send a copy to you unless the agent or broker has replaced the insurance.

**II. Provisions B. through E. modify the STANDARD and SPECIAL PROPERTY COVERAGE FORMS:**

- B.** Subparagraph d.(1)(b) in E.5. Loss Payment is deleted and replaced by the following:

(b) We will not pay on a replacement cost basis for any loss or damage:

(i) Until the lost or damaged property is actually repaired or replaced:

- i. On the described premises; or
- ii. At some other location in the Commonwealth of Massachusetts; and

(ii) Unless the repairs or replacement are made within a reasonable time, but no more than 2 years after the loss or damage.

- C.** The following provisions are added to paragraph E.5. Loss Payment:

1. In spite of any provision of any general or special law:

a. We will not pay for loss or damage to real property caused by any Covered Cause of Loss if the amount of loss is \$5,000 or more unless you first submit to us a certificate of municipal liens from the collector of taxes of the city or town where the property is located.

- b. We will pay to the city or town any amount outstanding on the certificate of municipal liens arising from the provisions of Massachusetts General Law Chapters 40, 59, 60, 80, 83 and 164, Sections 58B through 58F.

The payment will not exceed the amount of loss payable under this policy.

We will send you and the mortgage holder proof of our payment to the city or town.

- c. The claim of the city or town will have priority over the claim of any mortgage holder, assignee, you or any other interested party, except where otherwise provided by the laws of the United States.

- d. We will not be liable to any city, town, mortgage holder, assignee, you or any other interested party for:

- (1) Amounts paid to a city or town; or
- (2) Amounts not paid to a city or town based upon a certificate showing that no municipal liens exist.

- e. Paragraphs 1.a., 1.b., 1.c., and 1.d. above will not apply to any owner-occupied one-to-four-family dwelling if the owner of the dwelling lived there when the claim for loss or damage arose.

2. a. We will not pay any claim for:

- (1) Loss, damage or destruction of \$1,000 or more to a building or structure; or
- (2) Loss, damage or destruction, of any amount, that causes a building or structure to become:
  - (a) Dangerous to life or limb; or
  - (b) Unused, uninhabited or abandoned and open to the weather;

as provided under Massachusetts General Law, Section 6 of Chapter 143;

without giving at least 10 days' written notice before such payment to:

- (a) The Building Commissioner or the appointed Inspector of Buildings; and
- (b) The Board of Health or the Board of Selectmen of the city or town where the property is located.

- b. If at any time before our payment, the city or town notifies us by certified mail of its intent to begin proceedings designed to perfect a lien under Massachusetts General Law:

(1) Chapter 143, Section 3A or 9; or

(2) Chapter 111, Section 127B;

we will not pay while the proceedings are pending. The proceedings must be started within 30 days after we receive the notice.

Any lien perfected under the Massachusetts General Laws referred to in b.(1) and b.(2) above will extend to the city or town and may be enforced by it against the proceeds of this policy.

- c. We will not be to any city, town, mortgage holder, assignee, you or any other interested party for:

- (1) Amounts paid to a city or town; or
- (2) Amounts not paid to a city or town; under provisions 2.a. and 2.b above.

- D. If loss or damage is caused by fire or lightning, paragraph E.8. Vacancy is deleted and replaced by the following:

**8. Vacancy or Unoccupancy**

If the building where loss or damage occurs, whether intended for occupancy by owner or tenant, has been vacant or unoccupied for more than:

- a. 60 consecutive days for residential premises of 3 units or less; or
- b. 30 consecutive days for all other premises;

immediately before that loss or damage, we will not pay for the loss or damage.

A building is vacant when it does not contain enough business property to conduct customary "operations".

- E. The **Mortgage Holders, PROPERTY GENERAL CONDITION** is deleted and replaced by the following:

**2. Mortgage Holders**

We will pay for covered loss of or damage to real estate to each mortgage holder shown in the Declarations, or in an attached schedule, in the order of precedence, as interests may appear.

III. Provision **F.** modifies the **STANDARD and SPECIAL PROPERTY COVERAGE FORMS, ORDINANCE OR LAW COVERAGE FORM, ORDINANCE OR LAW COVERAGE (INCLUDING EARTHQUAKE) FORM, ORDINANCE OR LAW COVERAGE - BROAD FORM, MORTGAGEHOLDER'S ERRORS AND OMISSIONS COVERAGE FORM, AND LIMITED FUNGI, BACTERIA OR VIRUS COVERAGE FORM:**

F. The term virus is deleted from any provision which uses the following term:

"Fungi", bacteria or virus; or

"Fungi", bacteria, dry rot, wet rot or virus.

IV. Provision **G.** and **H.** modifies the **BUSINESS LIABILITY COVERAGE FORM:**

G. The following additional provisions apply to "bodily injury" and "property damage" arising out of the ownership, maintenance, entrustment to others, use, "loading or unloading" of any "mobile equipment" for which insurance is required of you under the Massachusetts Compulsory Liability Security Act:

1. Except to the extent provided in paragraph 2. below, this policy does not apply either on a primary or excess basis to "bodily injury" or "property damage" for which insurance is afforded (regardless of amount) under any liability coverage (compulsory or optional) of a Massachusetts Motor Vehicle Policy issued to you.
2. If the only liability insurance applicable with respect to "bodily injury" or "property damage" under a Motor Vehicle Policy is under the compulsory coverage, the "bodily injury" or "property damage" liability coverage under this policy shall apply in excess of that insurance, but only with respect to "bodily injury" or "property damage" arising out of the operation or use of the "mobile equipment" other than solely for the purposes of transportation or locomotion.

H. The "leased worker" definition in Section **G., LIABILITY AND MEDICAL EXPENSES DEFINITIONS** does not apply.

V. Provision **I. J. and K.** modifies the **LIQUOR LIABILITY INSURANCE:**

I. Paragraph 2. of the **Cancellation, COMMON POLICY CONDITIONS** is replaced by the following:

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason.

However, if this policy has been in effect for 60 days or more, we may cancel this policy by giving the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation. The notice requirement does not apply to cancellation due to:

- (1) Nonpayment of premium; or
- (2) The first Named Insured's loss of license.

J. If this policy has been issued pursuant to section 64A, 64B or 67 of Mass. Gen. Law Ann., Chapter 138, we may cancel this policy for nonpayment of premium by giving the first Named Insured written notice of at least 30 days before the effective date of cancellation.

K. The following is added and supersedes any other provision to the contrary:

**Nonrenewal**

If we decide not to renew this policy, we may do so by giving the first Named Insured written notice of our intent not to renew at least 60 days before the expiration of the policy. The notice requirement does not apply to nonrenewal due to:

- (1) Nonpayment of premium; or
- (2) The first Named Insured's loss of license.

L. The following is added to the **STANDARD** or **SPECIAL PROPERTY COVERAGE FORM**:

### **STANDARD FIRE POLICY PROVISIONS**

Your policy contains **LEGAL ACTION AGAINST US, APPRAISAL** and **CANCELLATION** provisions. Massachusetts law requires that the Suit, Appraisal and Cancellation provisions of the Massachusetts Standard Fire Policy supersede any similar provisions contained in your policy. Therefore, all **LEGAL ACTION AGAINST US, APPRAISAL** and **CANCELLATION** provisions, contained in your policy are void. The Suit, Appraisal and Cancellation provisions of the Massachusetts Standard Fire Policy shall apply instead.

In consideration of the Provisions and Stipulations Herein or Added Hereto and of the Premium Specified in the Declarations, this company, for the term of years specified in the Declarations from inception date (At 12:01 A.M. Standard Time) to expiration date (At 12:01 A.M. Standard Time) at location of property involved, to an amount not exceeding the amount(s) specified in the Declarations, does insure the Insured named in the Declarations and legal representatives, to the extent of the actual cash value of the property at the time of loss, but in no event for more than the interest of the insured, against all **LOSS BY FIRE, LIGHTNING AND BY REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED**, to the property described in the Declarations while located or contained as described in this policy or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

Assignment of this policy shall not be valid except with the written consent of this Company.

This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made a part of this policy together with such other provisions, stipulations and agreements as may be added hereto, as provided in this policy.

**Concealment  
Fraud**

This entire policy shall be void if, whether before or after a loss, the insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.

**Uninsurable  
And Excepted  
Property**

This policy shall not cover accounts, bills, currency, deeds, evidences of debt, money or securities; nor, unless specifically named hereon in writing, bullion or manuscripts.

**Perils Not  
Included**

This Company shall not be liable for loss by fire or other perils insured against in this policy caused directly or indirectly, by (a) enemy attack by armed forces, including action taken by military, naval or air forces in resisting an actual or an immediately impending enemy attack; (b) invasion; (c) insurrection; (d) rebellion; (e) revolution; (f) civil war; (g) usurped power; (h) order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided that such fire did not originate from any of the perils excluded by this policy; (i) neglect of the insured to use all reasonable means to save and preserve the property at and after a loss, or when the property is endangered by fire in the neighboring premises; (j) nor shall this company be liable for loss by theft.

**Other  
Insurance**

Other insurance may be prohibited or the amount of insurance may be limited by endorsement attached hereto.



**Conditions  
Suspending Or  
Restricting  
Insurance** Unless otherwise provided in writing added hereto this company shall not be liable for loss occurring (a) while the hazard is increased by any means within the control or knowledge of the insured; or (b) while the described premises, whether intended for occupancy by owner or tenant, are vacant or unoccupied beyond a period of sixty consecutive days, for residential premises of three units or less and thirty (30) consecutive days for all other premises, or (c) as a result of explosion or riot, unless fire ensues, and in that event for loss by fire only.

**Other Perils  
Or Subjects** Any other peril to be insured against or subject of insurance to be covered in this policy shall be by endorsement in writing hereon or added hereto.

**Added  
Provisions** The extent of the application of insurance under this policy and of the contribution to be made by this company in case of loss, and any other provision or agreement not inconsistent with the provisions of this policy, may be provided for in writing added hereto, but no provision may be waived except such as by the terms of this policy is subject to change.

**Waiver  
Provisions** No permission affecting this insurance shall exist, or waiver of any provision be valid, unless granted herein or expressed in writing added hereto. No provision, stipulation or forfeiture shall be held to be waived by any requirement or proceeding on the part of this company relating to appraisal or to any examination provided for herein.

**Cancellation  
Of Policy** This policy shall be cancelled at any time at the request of the insured, in which case this company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. This policy may be cancelled at any time by this company by giving to the insured a five days written notice of cancellation, and to the mortgagee to whom this policy is payable twenty days written notice of cancellation except where the stated reason for cancellation is non-payment of premium where, in such instance, this policy may be cancelled at any time by this company by giving to the insured a ten days written notice of cancellation, and the mortgagee a twenty days written notice of cancellation, with or without tender of the excess paid premium above the pro rata premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall state that said excess premium (if not tendered) will be refunded on demand and shall state or be accompanied by a statement of the specific reason or reasons for such cancellation. After this policy has been in effect for sixty days, or after sixty days from any anniversary date, no notice of cancellation shall be effective unless it is based on the occurrence, after the effective date of the policy, of one or more of the following: (1) nonpayment of premium; (2) conviction of a crime arising out of acts increasing the hazard insured against; (3) discovery of fraud or material misrepresentation by the insured in obtaining the policy; (4) discovery of willful or reckless acts or omissions by the insured increasing the hazard insured against; (5) physical changes in the property insured which result in the property becoming uninsurable; or (6) a determination by the commissioner that continuation of the policy would violate or place the insurer in violation of the law. Where the stated reason is nonpayment of premium, the insured may continue the coverage and avoid the effect of the cancellation by payment at any time prior to the effective date of cancellation.

**Mortgagee  
Interests And  
Obligations**

Notwithstanding any other provisions of this policy, if this policy shall be made payable to a mortgagee of the covered real estate, no act or default of any person other than such mortgagee or his agent or those claiming under him, whether the same occurs before or during the term of this policy, shall render this policy void as to such mortgagee nor affect such mortgagee's right to recover in case of loss on such real estate; provided, that the mortgagee shall on demand pay according to the established scale of rate for any increase of risk not paid for by the insured; and whenever this company shall be liable to a mortgagee for any sum for loss under this policy for which no liability exists as to the mortgagor, or owner, and this company shall elect by itself, or with others, to pay the mortgagee the full amount secured by such mortgage, then the mortgagee shall assign and transfer to the company interested, upon such payment, the said mortgage together with the note and debt thereby secured.

**Pro Rata  
Liability.**

This company shall not be liable for a greater proportion of any loss than the amount hereby insured shall bear to the whole insurance covering the property against the peril involved.

**Requirements  
In Case Loss  
Occurs**

The insured shall give immediate written notice to this company of any loss, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, furnish a complete inventory of the destroyed and damaged property, showing in detail the quantity, description, actual cash value and amount of loss claimed; and the insured shall forthwith render to this company a signed, sworn statement in proof of loss which sets forth to the best knowledge and belief of the insured the following: the time and cause of the loss, the interest of the insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupancy, location, possession or exposures of said property, since the issuing of this policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss and whether or not it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all policies and detailed estimates for repair of the damage. The insured, as often as may be reasonably required, shall exhibit to any person designated by this company all that remains of any property herein described, and submit to examinations under oath by any person named by this company, and subscribe the same; and as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by this company or its representative, and shall permit extracts and copies thereof to be made.

**When Loss  
Payable**

In case of any loss or damage, the company within thirty days after the insured shall have submitted a statement, as provided in the preceding clause, shall either pay the amount for which it shall be liable, which amount if not agreed upon shall be ascertained by award of referees as hereinafter provided, or replace the property with other of the same kind and goodness, or it may, within fifteen days after such statement is submitted, notify the insured of its intention to rebuild or repair the premises, or any portion thereof separately covered by this policy, and shall thereupon enter upon said premises and proceed to rebuild or repair the same with reasonable expedition. It is moreover understood that there can be no abandonment of the property described to the company, and that the company shall

not in any case be liable for more than the sum insured, with interest thereon from the time when the loss shall become payable, as provided above. The company shall be liable for the payment of interest to the insured at a rate of one percent over the prime interest rate on the agreed figure commencing thirty days after the date an executed proof of loss for such figure is received by the company, said interest to continue so long as the claim remains unpaid.

**Appraisal**

In case of loss under this policy and a failure of the parties to agree as to the amount of loss, it is mutually agreed that the amount of such loss shall be referred to three disinterested men, the company and the insured each choosing one out of three persons to be named by the other, and the third being selected by the two so chosen, and the award in writing by a majority of the referees shall be conclusive and final upon the parties as to the amount of loss or damage, and such reference, unless waived by the parties, shall be a condition precedent to any right of action in law or equity to recover for such loss; but no person shall be chosen or act as a referee, against the objection of either party, who has acted in a like capacity within four months.

**Suit**

No suit or action against this company for the recovery of any claim by virtue of this policy shall be sustained in any court of law or equity in this commonwealth unless commenced within two years from the time the loss occurred; provided, however, that if, within said two years, in accordance with the provisions of the preceding paragraph, the amount of the loss shall have been referred to arbitration after failure of the parties to agree thereon, the limitation of time for bringing such suit or action shall in no event be less than ninety days after a valid award has been made upon such reference or after such reference or award has been expressly waived by the parties. If suit or action upon this policy is enjoined or abated, suit or action may be commenced at any time within one year after the dissolution of such injunction, or the abatement of such suit or action, to the same extent as would be possible if there was no limitation of time provided herein for the bringing of such suit or action.

**Subrogation**

This company may require from the insured an assignment of all right of recovery against any party for loss to the extent that payment therefore is made by this company.

POLICY NUMBER: 08 SBA IX2219



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## UNMANNED AIRCRAFT - LIABILITY ENDORSEMENT

This endorsement modifies insurance provided under the following:

### BUSINESS LIABILITY COVERAGE FORM

#### SCHEDULE

<input type="checkbox"/>	<b>Option 1:</b> If an "X" is shown in this box, Bodily Injury and Property Damage coverage for Unmanned Aircraft applies and the Unmanned Aircraft Exclusion in Paragraph A.1.g.(1) of this endorsement does not apply.
<input type="checkbox"/>	<b>Option 2:</b> If an "X" is shown in this box, Personal And Advertising Injury coverage for Unmanned Aircraft applies and the Unmanned Aircraft - Personal And Advertising Injury Exclusion in Paragraph A.2. of this endorsement does not apply.

Except as otherwise stated in this endorsement or the schedule above, the terms and conditions of the policy apply to the insurance stated below.

**A. The following changes are made to Section B.1., EXCLUSIONS:**

1. Paragraph g., **Aircraft, Auto or Watercraft**, is deleted and replaced with the following:

**g. Aircraft, Auto or Watercraft**

**(1) Unmanned Aircraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This Paragraph g.(1) applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

**(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft

owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This Paragraph g.(2) applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

Paragraph g. (2) does not apply to:

- (a) A watercraft while ashore on premises you own or rent;
- (b) A watercraft you do not own that is:
  - (i) Less than 51 feet long; and
  - (ii) Not being used to carry persons for a charge;
- (c) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (d) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;

(e) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Section G Liability and Medical Expenses Definitions, Paragraph 15 f. (2) or f. (3) of the definition of "mobile equipment"; or

(f) An aircraft (other than unmanned aircraft) that is not owned by any insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis.

2. The following is added to Section B. **EXCLUSIONS** Paragraph p., **Personal and Advertising Injury**:

**Unmanned Aircraft - Personal and Advertising Injury**

Arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the "personal and advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

However, this exclusion does not apply if the only allegation in the claim or "suit" involves an intellectual property right which is limited to:

- (a) Infringement, in your "advertisement", of:
- (i) Copyright;
  - (ii) Slogan; or
  - (iii) Title of any literary or artistic work; or
- (b) Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement".

**B. The following changes apply to Section G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS:**

1. The following definition is added:

"Unmanned aircraft" means an aircraft that is not:

- a. Designed;
- b. Manufactured; or
- c. Modified after manufacture

to be controlled directly by a person from within or on the aircraft.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LIQUOR LIABILITY COVERAGE**

If shown in the Declarations as applicable, the following coverage applies.

Various provisions in this coverage part restrict coverage. Read the entire coverage part carefully to determine rights, duties and what is and is not covered.

Throughout this coverage part the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as Named Insured under this coverage part. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section III - Who Is An Insured.

Other words and phrases that appear in quotation have special meaning. Refer to Section VI - Definitions.

### **SECTION I - LIQUOR LIABILITY COVERAGE**

#### **1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "injury" to which this insurance applies if liability for such "injury" is imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage. We will have the right and duty to defend any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "injury" to which this insurance does not apply. We may at our discretion investigate any "injury" and settle any claim or "suit" that may result. But:
  - (1) The amount we will pay for damages is limited as described in in Section IV - Limits of Insurance; and
  - (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided under paragraph 2. Coverage Extension - Supplementary Payments.

- b. This insurance applies to an "injury" only if:
  - (1) The "injury" occurs during the policy period in the "coverage territory"; and
  - (2) Prior to the policy period, no insured identified in Paragraph 1. of Section III. - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "injury" or claim, knew that the "injury" had occurred, in whole or in part. If such insured or authorized "employee" knew prior to the policy period, that the "injury" occurred, then any continuation, change or resumption of such "injury" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Injury" which occurs during the policy period and was not, prior to the policy period, known to have occurred by an insured listed under Paragraph 1. of Section III - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "injury" or claim, includes any continuation, change or resumption of that "injury" after the end of the policy period.
- d. "Injury" will be deemed to have been known to have occurred at the earliest time when any insured identified in Paragraph 1. of Section III - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "injury" or claim:
  - (1) Reports all, or any part, of the "injury" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the "injury"; or

- (3) Becomes aware by any other means that "injury" has occurred or has begun to occur.

## **2. Coverage Extension - Supplementary Payments**

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$250 a day because of time off from work.
- d. All costs taxed against the insured in the "suit." However, these payments do not include attorney's fees or attorney's expenses taxed against the insured.
- e. Pre-judgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any pre-judgment interest based on that period of time after the offer.
- f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
- g. Expenses incurred by the insured for first aid administered to others at the time of an event to which this insurance applies.

These payments will not reduce the limits of insurance.

## **SECTION II - EXCLUSIONS**

This insurance does not apply to:

### **1. Expected or Intended Injury**

"Injury" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### **2. Workers' Compensation, Unemployment Compensation, And Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### **3. Employer's Liability**

"Bodily injury" to:

- a. An "employee" of the insured arising out of and in the course of:
  - (1) Employment by the insured; or
  - (2) Performing duties related to the conduct of the insured's business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of a. above.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the "injury."

### **4. Liquor License Not in Effect**

"Injury" arising out of any alcoholic beverage sold, served or furnished while any required license is not in effect.

### **5. Your Product**

"Injury" arising out of "your product." This exclusion does not apply to "injury" for which the insured or the insured's indemnitees may be held liable by reason of:

- a. Causing or contributing to the intoxication of any person;
- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

### **6. Other Insurance**

Any "injury" for which other insurance is available, or would be available but for the exhaustion of the limits of insurance. This exclusion does not apply if the other insurance responds to liability for "injury" imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage.

**7. War**

"Injury", however caused, arising directly or indirectly out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by a government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**SECTION III - WHO IS AN INSURED****1. If you are designated in the Declarations as:**

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

**2. Each of the following is also an insured:**

- a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), , but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.. However, none of these "employees" is an insured for:

**(1) "Injury"**

- (a) To you, to your partners or members (if you are a partnership

or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;

- (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph a.(1) above; or

- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the "injury" described in Paragraphs a.(1) or (2) above.

**(2) "Property damage" to property**

- (a) Owned or occupied by; or
- (b) Rented or loaned

to that "employee", any of your other "employees", by any of your partners or members (if you are a partnership or joint venture), or by any of your members (if you are a limited liability company).

- b. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and

- (2) Until your legal representative has been appointed.

- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Liquor Liability Insurance.

- 3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, which ever is earlier; and
- b. Coverage does not apply to "injury" that occurred before you acquired or formed the organization.



No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

#### **SECTION IV - LIMITS OF INSURANCE**

1. The Limits of Insurance shown in the Declarations for Liquor Liability Optional Coverage and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits."
2. The Aggregate Limit is the most we will pay for all "injuries" as the result of the selling, serving or furnishing of alcoholic beverages.
3. Subject to the Aggregate Limit, the Each Common Cause limit is the most we will pay for all "injury" sustained by one or more persons or organizations as the result of the selling, serving or furnishing of any alcoholic beverage to any one person.

The limits of this insurance apply separately to each consecutive annual policy period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

#### **SECTION V - LIQUOR LIABILITY CONDITIONS**

##### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this coverage part.

##### **2. Duties In The Event Of Injury, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "injury" which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "injury" took place; and
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any "injury".
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and

- (2) Notify us as soon as practicable.

You must see to it that we receive a written notice of the claim or "suit" as soon as practicable.

##### **c. You and any other involved insured must:**

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of "injury" or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

##### **3. Legal Action Against Us**

No person or organization has a right under this insurance:

- a. To join us as a party or otherwise bring us into "suit" asking for damages from an insured; or
- b. To sue us under this coverage part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this coverage part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

##### **4. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under this coverage part, our obligations, if any, are limited as follows:

##### **a. Primary Insurance**

This insurance is primary. Our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method describe in b. below.

**b. Method of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance of none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**5. Representations**

By accepting this coverage part, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this coverage part in reliance upon your representations.

**6. Separation of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

**7. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this coverage part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

**SECTION VI - DEFINITIONS****1. "Bodily injury" means physical:**

- a. Injury;
  - b. Sickness; or
  - c. Disease
- sustained by a person and, if arising out of the above, mental anguish or death, at any time.

**2. "Coverage territory" means:**

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

- b. International waters or airspace, but only if the "injury" occurs in the course of travel or transportation to or from any place not included in a. above; or

**c. All parts of the world if the "injury" arises out of:**

- (1) Goods or products sold by you in the territory described in a. above; or
- (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

3. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
4. "Executive Officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
5. "Injury" means damages because of "bodily injury" and "property damage," including damages for care, loss of service or loss of support.
6. "Leased Worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
7. "Property damage" means:
  - a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of physical injury that caused it; or
  - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the occurrence that caused it.
8. "Suit" means a civil proceeding in which damages because of "injury" to which this insurance applies are alleged. "Suit" includes:
  - a. An arbitration proceeding in which such damages are claimed and to which you must submit with our consent; or

- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you must submit with our consent.
9. "Temporary Worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
10. "Your Product":
- a. Means:
    - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
      - (a) You;
      - (b) Others trading under your name; or
      - (c) A person or organization whose business or assets you have acquired; and
    - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
  - b. Includes:
    - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product", and
    - (2) The providing of or failure to provide warnings or instructions.
  - c. Does not include vending machines or other property rented to or located for the use of others but not sold.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **RESTAURANT STRETCH**

This endorsement modifies insurance provided under the following:

### **STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM**

Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

- A.** The following changes apply to the Standard Property Coverage Form, Additional Coverages, **A.4.**, or to the Special Property Coverage Form, Additional Coverages, **A.5.**:

**1. Accounts Receivable**

The following Additional Coverage is added:

- a.** We will pay up to \$25,000 in any one occurrence as a Limit of Insurance to apply at each "scheduled premises" to cover direct physical loss of or physical damage to your records of accounts receivable. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.
- b.** We will pay up to \$25,000 in any one occurrence as a Limit of Insurance to cover direct physical loss of or physical damage to your records of accounts receivable that are not located at the "scheduled premises" or in transit. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of the Accounts Receivable Coverage, Form SS 04 39, with the exception of the Limit of Insurance provision contained in that form. Accounts Receivable Coverage, Form SS 04 39 is made a part of this policy whether or not Accounts Receivable coverage is indicated in the Declarations.

**2. Brands and Labels**

The following Additional Coverage is added:

In the event of covered physical loss or physical damage to merchandise that is branded or

labeled, we will take all or part of the physically damaged property at an agreed or appraised value and we will pay for:

- a.** Expenses you incur to:

- (1)** Stamp salvage on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (2)** Remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise and its containers to comply with the law.

- b.** Any reduction in the salvage value of the physically damaged merchandise as the result of the removal of the brand or label.

This Additional Coverage is included within the Business Personal Property Limit of Insurance.

**3. Claim Expenses**

The following Additional Coverage is added:

In the event of covered loss or physical damage we will pay up to \$10,000 in any one occurrence as an additional Limit of Insurance to cover reasonable expenses incurred by you at our specific request to assist us in:

- a.** The investigation of a claim or suit; or
- b.** The determination of the amount of loss, such as taking inventory, or auditing business records.

**4. Computer Fraud**

The following Additional Coverage is added:

We will pay up to \$5,000 in any one occurrence for physical loss of or physical damage to "money", "securities", and other property having intrinsic value resulting directly from computer fraud. Computer fraud means any act of stealing property following and directly related to the use of any computer to fraudulently cause a

transfer of that property from inside your premises or from a banking institution or similar safe depository, to a person (other than a "messenger") outside those premises or to a place outside those premises.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

#### **5. Computers and Media**

The following Additional Coverage is added:

We will pay up to \$25,000 in any one occurrence as a Limit of Insurance to apply anywhere in the Coverage Territory to cover direct physical loss of or physical damage to your computer systems. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of Computers and Media, Form SS 04 41, with the exception of the Limit of Insurance provision contained in that form. Computers and Media, Form SS 04 41 is made a part of this policy whether or not Computers and Media coverage is indicated in the Declarations.

#### **6. Debris Removal**

The following Additional Coverage is added:

In Limits of Insurance, **C.4.b.**, the additional limit of insurance for the Debris Removal Additional Coverage is increased to \$25,000 in any one occurrence.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

#### **7. Employee Dishonesty (including ERISA)**

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance to cover loss from employee dishonesty. This includes ERISA coverage. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of the Employee Dishonesty Coverage, Form SS 04 42, with the exception of the Limit of Insurance provision contained in that form. Employee Dishonesty Coverage, Form SS 04 42 is made a part of this policy whether or not Employee Dishonesty Coverage is indicated in the Declarations.

#### **8. Fine Arts**

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance at each "scheduled premises" to apply to Fine Arts. This Limit of

Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of Fine Arts Coverage Form, Form SS 04 22, with the exception of the following:

- a. The requirement contained under Paragraph **A.1.**, Under A. Coverage, to list and describe Fine Arts in the Declarations or Shedule is deleted when Fine Arts are covered under this Stretch endorsement; and
- b. The Limit of Insurance provision does not apply.
- c. Paragraph **D.1.** Valuation is deleted and replaced by the following:  
The value of Fine Arts will be the market value at the time of physical loss or physical damage.

Fine Arts Coverage, Form SS 04 22 is made a part of this policy whether or not Fine Arts Coverage is indicated in the Declarations.

#### **9. Forgery**

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance to cover loss from forgery of covered instruments, money orders, credit cards, and counterfeit money.

This Additional Coverage is subject to the provisions of Forgery Coverage, Form SS 04 86, with the exception of the Limit of Insurance provision contained in that form. Forgery Coverage, Form SS 04 86 is made a part of this policy, whether or not Forgery Coverage is indicated in the Declarations.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

#### **10. Laptop Computers - Worldwide Coverage**

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance to apply to laptop, palmtop, personal digital assistants (PDAs), and similar portable computer equipment and accessories anywhere in the world, including while in transit. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

**Limitation:** We will not pay for direct physical loss or physical damage caused by, resulting from, or arising out of the theft of this property while in transit as checked baggage.

This Additional Coverage is subject to the provisions of Computers and Media, Form

SS 04 41, with the exception of the Limit of Insurance provision contained in that form. Computers and Media, Form SS 04 41 is made a part of this policy whether or not Computers and Media coverage is indicated in the Declarations.

#### **11. Lost Keys**

The following Additional Coverage is added:

We will pay up to \$2,500 in any one occurrence as an additional amount of insurance to cover the loss of your keys used to secure the "scheduled premises" due to theft.

We will not pay more than the least of the following:

- a. Re-key the locks,
- b. Install new lock cylinders,
- c. Provide new master keys, or
- d. Replace existing locks with new locks of like kind and quality.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

#### **12. Off-Premises Utility Services - Direct Damage**

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance to apply at each "scheduled premises" to cover direct physical loss or physical damage to Covered Property caused by the interruption of utility services. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of Off-Premises Utility Services - Direct Damage, Form SS 40 18, with the exception of the Utility Services Limit of Insurance contained in that form. Off-Premises Utility Services - Direct Damage, Form SS 40 18 is made a part of this policy, whether or not Off-Premises Utility Services - Direct Damage coverage is indicated in the Declarations.

#### **13. Outdoor Signs**

The following Additional Coverage is added and supersedes any other coverage for signs in this policy:

We will pay up to full value of outdoor signs at each "scheduled premises" to cover direct physical loss of or physical damage to outdoor signs.

This Additional Coverage is subject to the provisions of Outdoor Signs, Form SS 04 44, with the exception of the Limit of Insurance provision and paragraph E. of that form. Outdoor Signs, Form SS 04 44 is made a part of this policy whether or not Outdoor Signs coverage is indicated in the Declarations.

This Additional Coverage is in addition to any recoverable Limits of Insurance applicable to Building or Business Personal Property.

#### **14. Pairs or Sets**

The following Additional Coverage is added:

If pairs or sets of stock are damaged by a Covered Cause of Loss, we will pay any reduction in value of the undamaged parts of such damaged pairs or sets.

As used in this Additional Coverage, the term stock means merchandise held in storage or for sale, raw materials, and goods in-process or finished.

This coverage is included within the Business Personal Property Limit of Insurance.

#### **15. Personal Property of Others**

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance at each "scheduled premises" to apply to personal property of others that is in your care, custody or control. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of Personal Property of Others, Form SS 04 45, with the exception of the statement concerning Limit of Insurance applicable to Personal Property of Others shown in the Declarations, contained in that form. Personal Property of Others, Form SS 04 45 is made a part of this policy whether or not Personal Property of Others coverage is indicated in the Declarations.

#### **16. Property at Other Premises**

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence to extend coverage for Business Personal Property at any premises not described in the Declarations.

This includes property that you have sold under an installation agreement and for which your responsibility continues until the property is accepted by the customer.

This Extension does not apply to:

- a. Property in the care, custody or control of your salespersons;
- b. Property at any fair or exhibition;
- c. Property in transit; or
- d. Property temporarily stored at any premises not described in the Declarations.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

**17. Salespersons' Samples**

The following Additional Coverage is added:

We will pay up to \$1,000 in any one occurrence as an additional Limit of Insurance to extend Business Personal Property to cover:

- a. Samples of your stock in trade (including containers); and
  - b. Similar property of others;
- but only while such property is in:
- a. Your custody while you are acting as a sales representative; or
  - b. The custody of your sales representative or agents.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

**18. Sewer and Drain Back Up**

The following Additional Coverage is added:

We will pay for direct physical loss or physical damage to Covered Property solely caused by water that backs up from a sewer or drain.

This coverage is included within the Covered Property Limits of Insurance.

**THIS IS NOT FLOOD INSURANCE**

We will not pay for water or other materials that back up from any sewer or drain when it is caused by any flood. This applies regardless of the proximity of the flood to Covered Property. Flood includes the accumulation of surface water, waves, tides, tidal waves, overflow of streams or other bodies of water, or their spray, all whether driven by wind or not that enters the sewer or drain system.

**19. Sump Overflow or Sump Pump Failure**

The following Additional Coverage is added:

The maximum we will pay in any one occurrence is \$15,000 for any loss, including Business Income or Extra Expense, resulting from physical loss or physical damage to Covered Property that is caused by or resulting from water that overflows due to the failure of a sump pump, sump pump well, or any other type of system designed to remove subsurface water from the foundation area if the failure is directly or indirectly the result of a Covered Cause of Loss. Failure means an abrupt cessation of normal functioning. This Limit of Insurance is the maximum we will pay regardless of any other coverage provided under this policy.

This Additional Coverage is subject to the terms and conditions of this policy with the exception of:

- a. Paragraph B.1.f., Power Failure, of the Standard Property Coverage Form and Paragraph B.1.d., Power Failure, of the Special Property Coverage Form; and
- b. Paragraph B.1.h.(4), Water, of the Standard Property Coverage Form and Paragraph B.1.f.(4), Water, of the Special Property Coverage Form.

**THIS IS NOT FLOOD INSURANCE**

We will not pay for water or other materials that overflow from a sump when the overflow is caused by any flood. This applies regardless of the proximity of the flood to Covered Property. Flood includes the accumulation of surface water, waves, tides, tidal waves, overflow of streams or other bodies of water, or their spray, all whether driven by wind or not that enters the sewer or drain system.

**20. Temperature Change**

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance to apply at each "scheduled premises" to cover direct physical loss of or physical damage to perishable stock caused by or resulting from a change of temperature or contamination by a refrigerant.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of the Temperature Change Coverage, Form SS 04 46, with the exception of the Limit of Insurance provision contained in that form. Temperature Change, Form SS 04 46 is made a part of this policy whether or not Temperature Change coverage is indicated in the Declarations.

**21. Tenant Building and Business Personal Property Coverage - Required by Lease**

The following Additional Coverage is added:

The maximum we will pay in any one occurrence is \$20,000 as a Limit of Insurance to apply to direct physical loss of or physical damage to Building and Business Personal Property for which you have a contractual responsibility to insure. This includes building fixtures, machinery and equipment.

**22. Transit Property in the Care of Carriers for Hire**

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance to apply to direct physical loss of or physical damage to property while in transit at your risk. This Limit of Insurance is in

addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of Transit Property in the Care of Carriers for Hire, Form SS 04 30, with the exception of the Limit of Insurance provision contained in that form. Transit Property in the Care of Carriers for Hire, Form SS 04 30 is made a part of this policy whether or not Transit Property in the Care of Carriers for Hire is indicated in the Declarations.

### **23. Unauthorized Business Card Use**

The following Additional Coverage is added:

The maximum we will pay in any one occurrence is \$2,500 as a Limit of Insurance to cover loss resulting from the theft or unauthorized use of your Business Credit, Debit or Charge Cards, including the reasonable legal expenses you incur.

The Business Credit, Debit or Charge Cards must be issued to you or registered in your name or the business name and be used solely for business purposes.

**Limitation.** We will not pay for the theft or unauthorized use of Business Credit, Debit or Charge Cards entrusted to others or your employees.

### **24. Valuable Papers and Records**

The following Additional Coverage is added:

- a. We will pay up to \$25,000 in any one occurrence as a Limit of Insurance to apply at each "scheduled premises" to cover direct physical loss of or physical damage to your valuable papers and records. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.
- b. We will pay up to \$25,000 in any one occurrence as a Limit of Insurance to cover direct physical loss of or physical damage to your valuable papers and records that are not located at the "scheduled premises" or in transit. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of the Valuable Papers and Records Coverage, Form SS 04 47, with the exception of the Limit of Insurance provision contained in that form. Valuable Papers and Records Coverage, Form SS 04 47 is made a part of this policy whether or not Valuable Papers and Records coverage is indicated in the Declarations.

**B.** The following changes apply to the Standard Property Coverage Form, Coverage Extensions, **A.5.**, or to the Special Property Coverage Form, Coverage Extensions, **A.6.** The Limits of Insurance stated in the paragraphs below replace the Limits of Insurance stated in the Standard Property Coverage Form or the Special Property Coverage Form for the coverages provided under this section. Except as otherwise stated, any other Limit of Insurance purchased under this policy as an option for the following coverages is in addition to the Limit of Insurance stated below:

#### **1. Newly Acquired or Constructed Property**

The following changes are made to Newly Acquired or Constructed Property:

##### **a. Building**

- (1) The most we will pay in any one occurrence in subparagraph (1) is increased from \$500,000 to \$1,000,000 at each premises.
- (2) The Limit of Insurance stated above is the maximum Limit of Insurance available for this coverage under this policy.

##### **b. Business Personal Property**

- (1) The most we will pay in any one occurrence in subparagraph (2) is increased from \$250,000 to \$500,000 at each premises.
- (2) The Limit of Insurance stated above is the maximum Limit of Insurance available for this coverage under this policy.

##### **c. Business Income and Extra Expense**

- (1) If Business Income or Extra Expense are provided under this policy, the most we will pay in any one occurrence in subparagraph (3) is increased from \$50,000 to \$500,000 in any one occurrence at each premises.
- (2) The Limit of Insurance stated above is the maximum Limit of Insurance available for this coverage under this policy.

#### **2. Outdoor Property**

In the Outdoor Property Coverage Extension, the most we will pay in any one occurrence is increased to \$20,000, but not more than \$1,000 for any one tree, shrub or plant.

#### **3. Personal Effects**

In the Personal Effects Coverage Extension, the most we will pay in any one occurrence is



increased from \$10,000 to \$25,000 at each "scheduled premises."

The Limit of Insurance stated above is the maximum Limit of Insurance available for this coverage under this policy.

#### **4. Property Off-Premises**

In the Personal Property Off-Premises Coverage Extension, the most we will pay in any one occurrence in subparagraph **A.6.h.(2)** is increased from \$2,500 to \$15,000.

- C.** The following changes apply only if Business Income and Extra Expenses are covered under this policy. These changes apply to the Standard Property Coverage Form, Additional Coverages, **A.4.**, or to the Special Property Coverage Form, Additional Coverages, **A.5.**:

##### **1. Business Income Extension for Off-Premises Utility Services**

The following Additional Coverage is added:

We will pay up to \$25,000 in any one occurrence as a Limit of Insurance to apply at each "scheduled premises" to cover loss of Business Income and Extra Expense caused by or resulting from the interruption of utility services. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of Business Income Extension for Off-Premises Utility Services, Form SS 04 19, with the exception of the Limit of Insurance provision contained in that form. Business Income Extension for Off-Premises Utility Services, Form SS 04 19 is made a part of this policy whether or not Business Income Extension for Off-Premises Utility Services coverage is indicated in the Declarations.

##### **2. Business Income Extension for Web Sites**

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance to cover loss of Business Income you sustain due to the necessary interruption of business operations caused by direct physical loss of or physical damage to your Web Site operation at the premises of a vendor acting as your service provider. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

Such interruption must be caused by or result from a Covered Cause of Loss.

##### **a. Coverage Time Period**

We will only pay for loss you sustain during the 7-day period immediately following the first 12 hours after the Covered Cause of Loss.

##### **b. Conditions**

This coverage applies only:

- (1) If you have a back-up copy of your Web Page stored at a location other than the site of the Web Site vendor.
- (2) To the extent that Business Income is permanently lost.

#### **3. Business Income from Dependent Properties**

The following Additional Coverage is added:

We will pay for the loss of your Business Income and Extra Expense due to direct physical damage at the premises of any dependent property caused by or resulting from a Covered Cause of Loss. The most we will pay under this endorsement for this coverage is \$50,000 regardless of the number of dependent properties involved in any one occurrence. This Limit of Insurance is in addition to any other Limit shown in the Declarations for specific Dependent Properties.

This additional coverage is subject to the provisions of Business Income from Dependent Properties, Form SS 04 78, with the exception of the Limit of Insurance provision contained in that form. Business Income from Dependent Properties, Form SS 04 78 is made a part of this policy whether or not Business Income from Dependent Properties coverage is indicated in the Declarations.

There is no requirement for Dependent Properties to be scheduled for the coverages provided by this Stretch endorsement to apply.

#### **4. Extended Business Income**

In the Extended Business Income Additional Coverage, paragraph **4.j.(1)(b)(ii)** of the Standard Property Coverage Form and paragraph **5.r.(1)(b)(ii)** of the Special Property Coverage Form are amended to read as follows:

- (b) 60 consecutive days after the date determined in (a) above.

#### **5. Food Contamination**

The following Additional Coverage is added:

We will pay the actual loss of Business Income and Extra Expense if your "operations" at any "scheduled premises" are ordered by a government authority to be suspended due to the discovery of or the suspicion of "food contamination".

This additional coverage is subject to the provisions of Food Contamination Coverage, Form SS 41 32, with the exception of Paragraph **C.**, Limit of Insurance, which is deleted and replaced by the following:

The most we will pay under this Additional Coverage, regardless of the number of occurrences or locations involved in any one order by a governmental authority is \$25,000. This Limit of Insurance is in addition to any other Limit shown in the Declarations for Food Contamination Coverage.

Food Contamination Coverage, Form SS 41 32 is made a part of this policy whether or not Food Contamination Coverage is indicated in the Declarations.

- D. The following Additional Coverage only applies if your policy is written with the Special Property Coverage Form.

**1. Money and Securities**

Paragraph A.5.i.(3) is deleted and replaced with the following:

- (3) The most we will pay for loss in any one occurrence is:

- (a) \$10,000 for Inside the Premises for "money" and "securities" while:

- (i) In or on the "scheduled premises";  
or  
(ii) Within a bank or financial institution;  
and

- (b) \$10,000 for loss Outside the Premises for "money" and "securities" while anywhere else.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

- E. The following changes apply to Paragraph E.5.d., Loss Payment, of the Standard Property Coverage Form and the Special Property Coverage Form:

**1. Valuation Changes**

The following are added to the Loss Payment Property Loss Condition E.5.d.:

**(10)Commodity Stock**

We will determine the value of merchandise and raw materials that are bought and sold at an established market exchange. We will determine the value at:

- (a) The posted market price as of the time and place of loss;  
(b) Less discounts and expenses you otherwise would have had.

**(11)"Finished Stock"**

We will determine the value of goods that you have manufactured at the selling price less discounts and expenses you otherwise would have had.

**(12)Mercantile Stock - Sold**

We will determine the value of goods you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **BUSINESS INCOME EXTENSION FOR OFF-PREMISES UTILITY SERVICES**

This endorsement modifies insurance provided under the following:

### **SPECIAL PROPERTY COVERAGE FORM**

This insurance applies only when Business Income and Extra Expense is shown in the Declarations as applicable. Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

#### **A. BUSINESS INCOME EXTENSION FOR OFF-PREMISES UTILITY SERVICES**

This Coverage Extension applies only when the Business Income Additional Coverage is included in this policy.

We will pay for loss of Business Income or Extra Expense at the "scheduled premises" caused by the interruption of service to the "scheduled premises". The interruption must result from direct physical loss or physical damage by a Covered Cause of Loss to the following property not on "scheduled premises":

1. "Water Supply Services";
2. "Communication Supply Services"; or
3. "Power Supply Services".

#### **B. WAITING PERIOD**

We will only pay for loss you sustain after the first 12 consecutive hours following the direct physical loss of or physical damage to the off-premises property to which this endorsement applies. We will not pay for any reduction in business income or extra expense after electricity, steam or gas has been restored to the "scheduled premises".

#### **C. LIMIT OF INSURANCE**

The most we will pay in any one occurrence for loss under this extension is the limit of insurance shown in the Declarations at each "scheduled premises".

#### **D. ADDITIONAL DEFINITIONS**

1. **"Water Supply Services"**, meaning the following types of property supplying water to the "scheduled premises":
  - a. Pumping stations; and
  - b. Water mains.
2. **"Communication Supply Services"**, meaning property, including overhead transmission lines supplying communication services, including telephone, radio, microwave or television services, to the "scheduled premises", such as:
  - a. Communication transmission lines, including optic fiber transmission lines;
  - b. Coaxial cables; and
  - c. Microwave radio relays except satellites.
3. **"Power Supply Services"**, meaning the following types of property supplying electricity, steam or gas, including overhead transmission lines to the "scheduled premises":
  - a. Utility generating plants;
  - b. Switching stations;
  - c. Substations;
  - d. Transformers; and
  - e. Transmission Lines.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FINE ARTS**

This endorsement modifies insurance provided under the following:

### **SPECIAL PROPERTY COVERAGE FORM**

This insurance applies only when the property is covered under the Special Property Coverage Form. Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

The following changes are made to the Special Property Coverage Form:

#### **A. Under A. Coverage:**

1. The following paragraph is added to 1. Covered Property:  
Fine Arts listed and described in the Declarations or Schedule which are:
  - a. Owned by you; or
  - b. Owned by others, and in your care, custody and control; and
  - c. Located at the "scheduled premises", or in transit to and from the "scheduled premises", or at your residence.
2. The following is added to Paragraph 2. **Property Not Covered** with respect to coverage afforded by this endorsement:  
Property on exhibition at fairgrounds or at any type of exposition, unless such locations are listed and described in the Declarations or Schedule.
3. The following special Limitation provision applies to property covered by this endorsement:  
Art glass windows, glassware, statuary, marbles, bric-a-brac, porcelains and other articles of fragile or brittle nature are covered against loss by breakage only if loss or damage is caused by "specified causes of loss."

4. Section **B. EXCLUSIONS** do not apply to coverage afforded under this endorsement, except for:

- (1) **Governmental Action;**
- (2) **Nuclear Hazard;** and
- (3) **War and Military Action.**

#### **5. Additional Exclusions**

We will not pay for physical loss or physical damage caused by or resulting from:

- a. Delay, loss of use, loss of market, or any other causes of consequential loss;
- b. Wear and tear, depreciation or obsolescence;
- c. Rust, corrosion, fungus, decay, deterioration, hidden or latent defect, or any quality in property that causes it to damage or destroy itself;
- d. Insects, birds, rodents or other animals.
- e. Dishonest acts by:
  - (1) You or any of your partners;
  - (2) Your directors or trustees;
  - (3) Your authorized representatives or employees; or
  - (4) Anyone, other than a carrier for hire, to whom you entrusted the Covered Property, including their employees, for any purpose:Whether acting alone or in collusion with others; and  
Whether or not occurring during the hours of employment.

- f. Voluntary parting with any property whether or not induced to do so by any fraudulent scheme, trick, device or false pretense.
- g. Unauthorized instructions to transfer property to any person or to any place.
- h. Theft from any unattended vehicle unless at the time of theft its windows, doors and compartments were closed and locked and there are visible signs that the theft was the result of forced entry.

But this exclusion does not apply to property in the custody of a carrier for hire.

- i. Processing or work performed upon the property.

#### **B. Limits of Insurance**

Section C. LIMITS OF INSURANCE is replaced by the following:

The most we will pay for physical loss or physical damage in any one occurrence for property covered under this endorsement is the Limit of Insurance shown in the Declarations for "Fine Arts", but no more than \$25,000 for any one item of "Fine Arts".

#### **C. Deductible**

We will adjust loss in any one occurrence under this endorsement as a single loss. The only deductible amount that applies under this coverage is the larger of:

- 1. \$250; or
- 2. The amount shown in the Declarations as a deductible applicable to this coverage.

#### **D. Additional Conditions**

##### **1. Valuation**

The following is added to Section E. **PROPERTY LOSS CONDITIONS:**

The value of Covered Property will be the amount shown in the Declarations or Schedule for each item of Covered Property, which is agreed to be the value of the item.

#### **2. Pair or Set**

In case of total loss to an item of Covered Property which is part of a pair or set, we agree to pay you the full amount of the pair or set as shown in the Declarations or Schedule and you agree to surrender the remaining item(s) of the pair or set to us.

#### **3. Packing**

You agree that Covered Property will be packed and unpacked by competent packers.

#### **E. Additional Definition**

The following definition is added to Section H. **DEFINITIONS:**

"Fine Arts" meaning paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, and similar property of rarity, historical value or artistic merit.

#### **F. Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the Covered Property, subject to the Limit of Insurance.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TRANSIT COVERAGE – PROPERTY IN THE CARE OF CARRIERS FOR HIRE**

This endorsement modifies insurance provided under the following:

### **SPECIAL PROPERTY COVERAGE FORM**

Except as otherwise stated in this endorsement the terms and conditions of the policy and of the Special Property Coverage Form apply to the insurance stated below.

**A.** With respect to this Transit Coverage – Property in the Care of Carriers for Hire only, the following changes are made to the Special Property Coverage Form:

- 1.** Under **A.4. Limitations**, subparagraph **c.(3)** which limits coverage for patterns, dies, molds and forms, is deleted.
- 2.** Under **B. Exclusions**
  - a.** Exclusions **1.a.** (Earth Movement) and **1.f.** (Water) do not apply to property in transit.
  - b.** Exclusions **2.e.** (Dishonesty) and **2.g.** (Exposed Property) do not apply to property in custody of a carrier for hire.
  - c.** Exclusion **2.f.** (False Pretense) does not apply to loss or damage caused by your good faith acceptance of false bills of lading or shipping receipts.
  - d.** The following Exclusion is added:  
We will not pay for physical loss or physical damage caused by or resulting from poor or insufficient packaging or packing.

**B. Transit Coverage – Property in the Care of Carriers for Hire**

- 1.** The insurance that applies to your Business Personal Property and Personal Property of Others is extended to apply to shipments of that property while in transit at your risk, by motor vehicle, railroad car or aircraft between points within the Coverage Territory. This includes property you have sold and for which your responsibility continues until it is delivered.

**2.** The Transit Coverage – Property in the Care of Carriers for Hire also applies to:

**a. Expenses to Inspect, Repackage and Reship Damaged Shipments**

The necessary additional expenses you incur to inspect, repackage and reship Covered Property which is physically damaged as a result of a Covered Cause of Loss.

**b. Expenses to Protect Covered Property from Spoilage or Change in Temperature**

The necessary additional expense you incur to temporarily store Covered Property in a temperature controlled environment in order to avoid or minimize physical loss or physical damage to such property from spoilage or change in temperature. Such temporary storage must be made necessary by the sudden and accidental breakdown of heating or refrigeration unit(s) on transporting conveyances.

This additional expense will not include:

- (1)** Expenses to repair or replace heating or refrigeration unit(s);
- (2)** Costs or penalties due to detention or delay of any vehicles, trailers, conveyances or containers; or
- (3)** Costs for additional wages, room, board or meals.

**c. F.O.B. Shipments**

Outgoing shipments where the risk of physical loss or physical damage is transferred to the buyer when such property leaves your premises.

You must use all reasonable means to collect the amount due you from the buyer

before making a claim under this Transit Coverage. We will not make payment until you grant us the right of recovery against the buyer.

**d. Loading and Unloading**

Shipments during loading or unloading and within 500 feet of any transporting conveyance.

**e. Return Shipments**

Outgoing shipments which have been rejected by the consignee or are not deliverable, while:

- (1) In due course of transit, being returned to you; or
- (2) Up to 10 days after delivery or attempted delivery awaiting return shipment to you.

Payment under paragraphs a., b., c., d. and e. above will not increase the Transit Coverage Limit of Insurance.

**C. Under this Transit Coverage – Property in the Care of Carriers for Hire, we will not pay for:**

1. Property in the care, custody or control of your salespersons.
2. Mail shipments in the custody of the U.S. Postal Service.
3. Property of Others for which you are responsible as a:
  - a. Carrier for hire; or
  - b. Carloader, consolidator, broker, freight forwarder, shipping association, or other arranger of transportation.
4. Property in or on a motor vehicle you own, lease or operate.

**D. Limit of Insurance**

The Limit of Insurance shown in the Declarations for Transit Coverage – Property in the Care of Carriers for Hire is the most we will pay for all physical loss or physical damage in any one occurrence to property insured under this endorsement.

**E. Deductible**

We will not pay for physical loss or physical damage in any one occurrence until the amount of physical loss or physical damage exceeds \$250. We will then pay the amount of physical loss or physical damage in excess of \$250 up to the applicable Limit of Insurance.

**F. Additional Conditions**

**1. Valuation**

Property Loss Condition E.5. is deleted and replaced by the following:

**a. Valuation**

**(1) Property You Own**

The value of Covered Property will be the amount of invoice plus accrued charges, prepaid charges and charges since shipment; or

- (2) In the absence of an invoice, the value of Covered Property will be its actual cash value, with proper deduction for depreciation, at the point of destination on the date of expected arrival.

**b. Property of Others**

The most we will pay for Covered Property owned by others is the lesser of:

- (1) Your legal liability for direct physical loss or physical damage to such property; or
- (2) What we would pay if you had owned the property.

**2. Impairment of Rights of Recovery**

We will not pay for physical loss or physical damage, if you impair our rights to recover damages from any carrier for hire. But you may accept from carriers for hire bills of lading, receipts or contracts of transportation which contain a limitation of value.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **HIRED AUTO AND NON-OWNED AUTO**

This endorsement modifies insurance provided under the following:

### **BUSINESS LIABILITY COVERAGE FORM**

This coverage is subject to all provisions in the **BUSINESS LIABILITY COVERAGE FORM** not expressly modified herein:

#### **A. Amended Coverage:**

Coverage is extended to "bodily injury" and "property damage" arising out of the use of a "hired auto" and "non-owned auto".

#### **B. Paragraph B. EXCLUSIONS is amended as follows:**

1. Exclusion **g. Aircraft, Auto or Watercraft** does not apply to a "hired auto" or a "non-owned auto".
2. Exclusion **e. Employers Liability** does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract".
3. Exclusion **f. Pollution** is replaced by the following:

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
  - (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto";
  - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
  - (3) Being stored, disposed of, treated or processed in or upon the covered "auto".
- b. Before the "pollutants" or any property in which the "pollutants" are contained are

moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate, or are discharged or released directly from an "auto" part designed by its manufacturer to hold, store, receive, or dispose of such "pollutants"; and
- (2) The "bodily injury" and "property damage" does not arise out of the operation of any equipment listed in paragraphs 15.b. and 15.c. of the definition of "mobile equipment".

Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and



(2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage as a result of the maintenance or use of a covered "auto".

4. With respect to this coverage, the following additional exclusions apply:

**a. Fellow employee**

Coverage does not apply to "bodily injury" to any fellow "employee" of the "insured" arising out of the operation of an "auto" owned by the "insured" in the course of the fellow "employee's" employment.

**b. Care, custody or control**

Coverage does not apply to "property damage" involving property owned or transported by the "insured" or in the "insured's" care, custody or control.

C. With respect to "hired auto" and "non-owned auto" coverage, Paragraph C. **WHO IS AN INSURED** is deleted and replaced by the following:

The following are "insureds":

a. You.

b. Your "employee" while using with your permission:

- (1) An "auto" you hire or borrow; or
- (2) An "auto" you don't own, hire or borrow in your business or personal affairs; or
- (3) An "auto" hired or rented by your "employee" on your behalf and at your direction.

c. Anyone else while using a "hired auto" or "non-owned auto" with your permission except:

- (1) The owner or anyone else from whom you hire or borrow an "auto".
- (2) Someone using an auto while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
- (3) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company), or a lessee or borrower or any of their "employees", while moving property to or from an "auto".
- (4) A partner (if you are a partnership), or a member (if you are a limited liability

company) for an "auto" owned by him or her or a member of his or her household.

d. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

D. With respect to the operation of a "hired auto" and "non-owned auto", the following additional conditions apply:

**1. OTHER INSURANCE**

a. Except for any liability assumed under an "insured contract" the insurance provided by this Coverage Form is excess over any other collectible insurance.

However, if your business is the selling, servicing, repairing, parking or storage of "autos", the insurance provided by this endorsement is primary when covered "bodily injury" or "property damage" arises out of the operation of a customer's "auto" by you or your "employee".

b. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

**2. TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US**

If the Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

E. The following definitions are added:

**G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS:**

1. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include any auto you lease, hire, rent or borrow from any of your "employees", your partners (if you are a partnership), members (if you are a limited liability company),

or your "executive officers" or members of their households.

This does not include a long-term leased "auto" that you insure as an owned "auto" under any other auto liability insurance policy or a temporary substitute for an "auto" you own that is out of service because of its breakdown, repair, servicing or destruction.

2. "Non-owned auto " means any "auto" you do not own, lease, hire, rent or borrow which is used in connection with your business. This includes:
  - a. "Autos" owned by your "employees" your partners (if you are a partnership), members (if you are a limited liability company), or your "executive officers", or members of their households, but only while used in your business or your personal affairs.
  - b. Customer's "auto" that is in your care, custody or control for service.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ACCOUNTS RECEIVABLE**

This endorsement modifies insurance provided under the following:

### **STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM**

This coverage applies only when it is indicated in the Declarations. The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

**A.** When shown in the Declarations as applicable, the Limit of Insurance stated in paragraph **A.5.a.(1)**, **Accounts Receivable**, in the Standard Property Coverage Form and **A.6.a.(1)**, **Accounts Receivable**, in the Special Property Coverage Form is replaced by the Limit of Insurance for Accounts Receivable shown in the Declarations. All other terms and conditions of the Accounts Receivable Coverage Extension apply to this Optional Coverage.

**B. Limit of Insurance**

The most we will pay under this coverage extension in any one occurrence is the Limit of Insurance shown in the Declarations for Accounts Receivable.

**C. Deductible**

We will not pay for loss in any one occurrence unless the amount of loss exceeds the policy deductible stated in the Declarations. We will then pay the amount of loss in excess of the Deductible, up to the Limit of Insurance.

**D. Additional Conditions**

- (1) If you cannot accurately establish the value of accounts receivable outstanding as of the time of direct physical loss or physical damage the following method will be used:
  - (a) Determine the total of the average monthly value of accounts receivable for the 12 months immediately preceding the month in which the direct physical loss or physical damage occurred; and
  - (b) Adjust that total for any normal fluctuations in the value of accounts receivable for the month in which the direct physical loss or physical damage occurred or for any demonstrated variance from the average for that month.
- (2) The following will be deducted from the total value of accounts receivable, however that value is established:
  - (a) The value of the accounts for which there is no loss or damage;
  - (b) The value of the accounts that you are able to reestablish or collect;
  - (c) A value to allow for probable bad debts that you are normally unable to collect; and
  - (d) All unearned interest and service charges.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COMPUTERS AND MEDIA**

This endorsement modifies insurance provided under the following:

### **STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM**

The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

#### **A. Computer Equipment, Electronic Data and Software**

##### **1. Coverage**

We will pay for direct physical loss of or physical damage, to "computer equipment" and the cost to research, replace or restore physically lost or physically damaged "electronic data" and "software" subject to the Limit of Insurance shown in the Declarations for Computers and Media while anywhere within the coverage territory, and while in transit, but only if:

- a. Owned by you; or
- b. Owned by others but in your care, custody and control regardless of whether you use it for personal or business needs.

##### **2. Property Not Covered**

"Computer Equipment" as used in this optional coverage does not include:

- a. Source documents, other than manuals purchased with hardware or "software";
- b. Worksheets and printouts;
- c. Property held for sale or lease;
- d. Property leased or rented to others; or
- e. "Money", deeds, notes, "securities" or other financial instruments, including such instruments in electronic form.

##### **3. Extended Causes of Loss**

Direct physical loss or physical damage to your "computer equipment", "electronic data" or "software", or "computer equipment", "electronic data" or "software" of others in your care, custody or control is extended to include the following:

- a. Electromagnetic injury caused by:
  - (1) Blackout or brownout;

- (2) Power Failure;

- (3) Airport security check, or radio or telephone line interference; or

- (4) Electromagnetic disturbance outside the "computer system".

- b. Head crash, meaning physical damage to disks, tapes or hardware caused by a contact of electromagnetic heads (which read or write information) with such disks or tapes;

- c. Damage caused by a "computer virus"; and

- d. Theft of "computer equipment" away from the "scheduled premises". Theft means an act of stealing or an attempt to steal. Theft includes loss of property from a known place when it is likely that the property has been stolen.

##### **4. Exclusion**

We will not pay to research, replace or restore physically lost or physically damaged "electronic data" or "software" which is licensed, leased or rented to others.

##### **5. Deductible**

We will not pay for loss or damage in any one occurrence to "computer equipment" until the amount of loss or damage exceeds \$250, unless a separate deductible is stated in the Declarations for Computers and Media Coverage.

#### **B. Additional Coverage**

##### **1. Business Income and Extra Expense Coverage**

If Business Income and Extra Expense Coverage is included in this policy then the following applies.

##### **a. Coverage**

- (1) Coverage under this endorsement applies to the following Additional

Coverages and Coverage Extensions in the Standard or Special Property Coverage Form with respect to "computer equipment", "electronic data" and "software":

- (a) Business Income;
- (b) Extra Expense;
- (c) Civil Authority;
- (d) Extended Business Income; and
- (e) Newly Acquired or Constructed Property Coverage.

- (2) Coverage under this endorsement does not apply to any other Additional Coverage or Coverage Extension.

**b. Coverage Limitations**

The following limitations apply only if the physical loss or physical damage is a direct result of the **Extended Causes of Loss** for "computer equipment", "software" and "electronic data" as indicated below.

**(1) Limit of Insurance**

This Additional Coverage is included in the Limit of Insurance for Computers and Media shown in the Declarations when the actual loss of business income and extra expense you incur due to the necessary suspension (slowdown or cessation) of your operations is a result of:

- (a) A cause of loss included in A.3.a., b. or c., **Extended Causes of Loss**, of this endorsement; or
- (b) Physical damage or physical loss to "computer equipment", "electronic data", and "software" that was away from the scheduled premises at the time of loss.

This is not an additional limit of insurance.

**(2) Waiting Period**

We will not pay for any covered Business Income loss you sustain under this provision due to physical loss or physical damage to "electronic data", or "software" caused by a "computer virus" which results in the necessary suspension (slowdown or cessation) of your business described in the Declarations during the first 12 hours that immediately follow the start of such suspension. This Waiting Period applies independent of the deductible applicable to "Computer Equipment".

**2. Equipment Breakdown Coverage**

The Additional Coverage for Equipment Breakdown applies to "computer equipment",

"electronic data", and "software" when this endorsement is attached to the Special Property Coverage Form and Equipment Breakdown Additional Coverage is included on the policy.

**C. Exclusion of Certain Computer Related Losses**

The provisions of this endorsement do not override or in any way affect the application of the Exclusion of Certain Computer Related Losses if such exclusion is endorsed to or otherwise made a part of this policy. That exclusion addresses the inability of a "computer system" to correctly recognize process, distinguish, interpret or accept one or more dates or times.

**D. Exclusions**

1. Section **B. Exclusions**, of the Standard or Special Property Coverage Form do not apply to coverage provided by this endorsement, except for the exclusions of:

- a. Earth Movement;
- b. Governmental Action;
- c. Nuclear Hazard;
- d. War and Military Action; and
- e. Water.

**2. Additional Exclusions**

We will not pay for loss or damage caused by or resulting from:

- a. Input, programming or processing errors;
- b. Mechanical breakdown or failure, however head crash will not be considered as a mechanical breakdown or failure.

This exclusion does not apply to "computer equipment", "electronic data", and "software" when this endorsement is attached to the Special Property Coverage Form and Equipment Breakdown Additional Coverage is included on the policy;

- c. Faulty construction, materials or workmanship;
- d. Error, omission or deficiency in design;
- e. Rust, corrosion, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- f. Dryness or dampness of atmosphere; changes in or extremes of temperature;
- g. Wear and tear, marring or scratching;
- h. Insects, birds, rodents, or other animals;
- i. Obsolescence;
- j. Dishonest or criminal acts by you, any of your partners, employees, trustees, authorized representatives or anyone to whom you entrust the property for any purpose, whether acting alone or in collusion with others;

- k. Unexplained disappearance, however we will cover theft of "computer equipment" as provided in provision A.3.d.;
- l. Unlawful trade, or seizure by orders of governmental authority;
- m. Delay or loss of market; and
- n. Theft of laptop, palmtop or similar portable property while in transit as checked baggage.

#### **E. Limit of Insurance**

The most we will pay for physical loss or physical damage in any one occurrence is the Limit of Insurance for Computers and Media shown in the Declarations.

#### **F. Loss Payment**

This Loss Payment condition is applicable to the "computer equipment", "electronic data", and "software" coverage provided by this endorsement. We will determine the value of Covered Property as follows:

1. "Computers," "peripheral devices", "media", and manuals at the full cost to repair or replace the property subject to the Limit of Insurance. However, we will not pay more for physical loss or physical damage on a replacement cost basis than the lesser of and the following:
  - a. The amount necessary to replace the item with similar property possessing the minimum characteristics necessary to perform the same functions when replacement with identical property is not possible or practical.
  - b. The amount necessary to repair or replace the item with one substantially identical to the physically lost or physically damaged item. In the event of a covered total loss to one or more items, we will allow up to 20% over the current replacement cost as described in this provision, as an Optional Upgrade Allowance for the purchase of new

property with upgraded processing or performance characteristics. This Optional Upgrade Allowance will, at our option, be payable after you have purchased the replacement property and have provided us with written proof of such purchases; or

- c. If the item is not repaired or replaced, we will not pay more than the actual cash value of the item at the time of physical loss or physical damage. If you elect this option, you have the right to make further claim within 180 days after loss for any additional payment on a replacement cost basis.

2. In the event of physical loss or physical damage to "electronic data" or "software", we will pay the reasonable amount you actually spend to reproduce, restore, or replace the physically lost or physically damaged "electronic data" or "software". This includes the cost of computer consultation services for restoration and the cost of research to reconstruct lost or damaged information. But we will not pay more than the Limit of Insurance for Computers and Media specified in the Declarations.
3. In the event of physical loss or physical damage to any part of "computer equipment", "electronic data" or "software", we will pay only what it would cost to replace, reproduce, or restore the physically lost or physically damaged part.

#### **G. Additional Definitions**

1. "Computer Virus" means a program, which is intentionally created to cause damage or disruption in the computer operations of a party using or coming in contact in any way with the program.
2. "Computer System" includes "computer", "peripheral devices", "software", and "electronic data" necessary for the "computer" to function for its intended purpose.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYEE DISHONESTY COVERAGE**

This endorsement modifies insurance provided under the following:

### **STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM**

Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

#### **A. COVERAGE**

1. The following is added to Paragraph A.5., Additional Coverages, of the Special Property Coverage Form:

##### **Employee Dishonesty Coverage**

- (1) We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Causes of Loss.

Covered Property, solely as used in this Additional Coverage, means "money", "securities", and other tangible property of intrinsic value and not otherwise excluded.

Covered Causes of Loss means dishonest acts committed by an "employee", except you, whether identified or not, acting alone or in collusion with other persons, with the manifest intent to:

- (a) Cause you to sustain loss; and also
- (b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions or other employee benefits earned in the normal course of employment) for:
  - (i) That "employee"; or
  - (ii) Any person or organization intended by the "employee" to receive that benefit.

##### **(2) Employee Dishonesty Additional Coverages:**

- (a) We will pay for loss of Covered Property arising out of a Covered

Cause of Loss caused by any "employee" while temporarily outside the Coverage Territory for a period of not more than 90 days.

- (b) We will pay for any loss of Covered Property arising out of a Covered Cause of Loss caused by your "employee" while at the premises of your client or customer.

Any claim for loss sustained by any client or customer and covered by this policy may only be made by you in your Proof of Loss. No third party has a direct right against this insurance and no third party may make a direct claim against us as the writer of your insurance.

##### **(3) Coverage under the Employee Retirement Income Security Act of 1974, as amended ("ERISA")**

- (a) We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Causes of Loss.

Covered Property, solely as applicable to ERISA coverage, means the funds or other property of any employee pension benefit plan or employee welfare benefit plan that:

- (i) Is subject to (and not exempt from) the bond requirement set forth in Section 412 of ERISA, and
- (ii) You establish and maintain for your employees (a "Plan")

and which is not otherwise excluded.

Covered Causes of Loss, solely as applicable to ERISA coverage,

means an act of fraud or dishonesty committed by an "employee", except you, whether identified or not, acting alone or in collusion with other persons, that results in a loss to a Plan of funds or other property which is used or may be used to pay benefits under the Plan. "Covered Causes of Loss" does not include investment losses or any other loss resulting from a breach of fiduciary duty under ERISA or a prohibited transaction as defined by ERISA and for which coverage is not required by Section 412 of ERISA.

**(b) Welfare and Pension Plan ERISA Compliance**

In compliance with certain provisions of the ERISA:

- (i) For the purposes of this insurance, the Plans you establish and maintain for the benefit of your employees shall be Named Insureds under this Employee Dishonesty Coverage.
- (ii) "Employee" includes any natural person you employ and any owner, officer, trustee or director of your company who "handles" the funds or other property of the Plan (as defined in 29 C.F.R. 2580.412-6) including, but not limited to, the Plan Administrator. "Employee" does not include any third party (including but not limited to a broker, independent contractor, record keeper, payroll provider, trustee or other fiduciary) who provides services to you or to a Plan.
- (iii) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance under this Employee Dishonesty Coverage Form that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each Plan were separately insured.
- (iv) If the insured first named in the Declarations is an entity other than a Plan, any payment we make to that insured for loss sustained by any Plan must be

paid promptly into such plan for the use and benefit of the Plan(s) sustaining the loss.

- (v) If two or more Plans are insured under this insurance, any payment we make for loss either sustained by two or more plans, or of commingled funds or other property of two or more Plans that arises out of one occurrence, is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.

**(4) Theft Limitation Exception**

Limitation A.4.c., of the Special Property Coverage Form does not apply to coverage provided by this endorsement.

**(5) Additional Exclusions**

**(a) Employee Terminated Under Prior Insurance**

We will not pay for loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been terminated and not reinstated since the last such termination.

**(b) Insurance Operations**

We will not pay for direct or indirect loss resulting from contractual or extra-contractual liability sustained by you in connection with the issuance of contracts or purported contracts of insurance, indemnity or suretyship.

**(c) Inventory Shortages**

We will not pay loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (i) An inventory computation; or
- (ii) A profit and loss computation.

**(d) Partners**

We will pay only for loss caused by any partner or member of a limited liability corporation that is in excess of the sum of:

- (i) Any amounts you owe that partner or member; and
- (ii) The value of that partner's or member's ownership interest determined by the closing of



you organization's books on the date of discovery of the loss by anyone in your organization not involved in the Employee Dishonesty; and

- (iii) Any applicable deductible amount.

**(e) Trading Loss**

We will not pay for loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account if such loss does not result from dishonesty or fraud.

**(6) Additional Conditions**

**(a) Termination As To Any "Employee"**

This insurance is terminated as to any "employee":

- (i) Immediately upon discovery by you, or any of your partners, officers or directors not in collusion with the "employee", of any dishonest or fraudulent act committed by that "employee" whether before or after becoming employed by you; or
- (ii) On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing.

The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

**(7) Limit of Insurance**

The most we will pay for each occurrence of loss under this Additional Coverage is the Employee Dishonesty Limit of Insurance stated in the Declarations.

**(8) Deductible**

We will not pay for loss in any one occurrence unless the amount of loss exceeds the Deductible shown Paragraph D.5. the Special Property Coverage Form, unless a separate Deductible for Employee Dishonesty applies and is stated in the Declarations. We will then pay the amount of the loss in excess of the Deductible, up to the Limit of Insurance.

No deductible applies to the coverage granted in Paragraph A.1.(3) of this endorsement.

**(9) Occurrence Definition**

As used in this Additional Coverage, occurrence means all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **OUTDOOR SIGNS**

This endorsement modifies insurance provided under the following:

**STANDARD PROPERTY COVERAGE FORM  
SPECIAL PROPERTY COVERAGE FORM**

This coverage applies only when it is indicated in the Declarations. The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

**A.** We will pay for direct physical loss of or physical damage to all outdoor signs at the "scheduled premises":

- (1) Owned by you; or
- (2) Owned by others but in your care, custody and control.

**B.** Paragraph **A.3.**, Covered Causes of Loss, and Section **B.**, Exclusions, do not apply, to this Optional Coverage, except for:

- (1) Governmental Action;
- (2) Nuclear Hazard; and
- (3) War and Military Action.

**C. Additional Exclusion**

We will not pay for physical loss or physical damage caused by or resulting from:

- (1) Wear and tear;
- (2) Hidden or latent defect;
- (3) Rust;
- (4) Corrosion; or
- (5) Mechanical breakdown.

**D. Limit of Insurance**

The most we will pay for physical loss or physical damage in any one occurrence is the Limit of Insurance for Outdoor Signs shown in the Declarations.

**E.** The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PERSONAL PROPERTY OF OTHERS**

This endorsement modifies insurance provided under the following:

**STANDARD PROPERTY COVERAGE FORM  
SPECIAL PROPERTY COVERAGE FORM**

This coverage applies only when it is indicated in the Declarations. The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

We will pay, on replacement cost basis, for direct physical loss or physical damage by a Covered Cause of Loss to Personal Property of Others that is in your care, custody and control.

The most we will pay for direct physical loss or physical damage in any one occurrence is the Limit of Insurance applicable to Personal Property of Others shown in the Declarations.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TEMPERATURE CHANGE**

This endorsement modifies insurance provided under the following:

### **STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM**

This coverage applies only when it is indicated in the Declarations. The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

**A. We will pay for direct physical loss of or physical damage to "perishable stock" at the "scheduled premises" caused by or resulting from:**

**1. A change in temperature or humidity resulting from:**

**(a) Mechanical breakdown or failure of:**

**(1) Stationary heating plants; or**

**(2) Refrigerating, cooling or humidity control apparatus or equipment;**

But only while such plants, equipment or apparatus are at the "scheduled premises".

**(b) Complete or partial failure of electric power, either on or away from your "scheduled premises". Such failure of power must be due to conditions beyond your control; or**

**2. Contamination by a refrigerant.**

**B. SELLING PRICE**

We will determine the value of finished "perishable stock" in the event of direct physical loss or physical damage at the selling price, as if no physical loss or physical damage had occurred less discounts and expenses you otherwise would have had.

**C. We will not pay for direct physical loss of or physical damage to "perishable stock" located:**

**1. On buildings;**

**2. In the open; or**

**3. In vehicles, other than trailers used for storage located within 1000 feet of the "scheduled premises".**

**D. EXCLUSIONS**

**1. The following exclusions under SECTION B - EXCLUSIONS are deleted:**

**(a) Ordinance or Law;**

**(b) Power Failure; and**

**(c) Mechanical Breakdown in the Standard Property Coverage Form.**

**2. The following exclusions are added:**

We will not pay for direct physical loss or physical damage caused by or resulting from:

**(a) The disconnecting of any of the following systems from the source of power:**

**(1) Refrigerating;**

**(2) Cooling; or**

**(3) Humidity control.**

**(b) The loss of electrical power caused by the shutting off of any switch or other device used to control the flow of electric power or current.**

**(c) The inability of an electrical utility company, your stationary heating plant or any other power source to provide sufficient heat or power due to:**

**(1) Lack of fuel;**

**(2) Lack of capacity to make enough heat or power; or**

**(3) Order of the government.**

**(d) Breaking of any glass that is a permanent part of a refrigerating, cooling or humidity control unit.**

**E. DEDUCTIBLE**

We will not pay for loss in any one occurrence unless the amount of loss exceeds the deductible stated in paragraph **D.5.** of the Standard Property Coverage Form or **D.5.** of the Special Property Coverage Form., unless a different deductible is stated in the

Declarations for Temperature Change. We will then pay the amount of loss in excess of the deductible, up to the Limit of Insurance.

**F. LIMIT OF INSURANCE**

The most we will pay for direct physical loss or physical damage in any one occurrence is the Limit of Insurance for Temperature Change shown in the Declarations.

**G. ADDITIONAL CONDITIONS**

1. We will pay for direct physical loss or physical damage under this Optional Coverage only when:
  - (a) Such physical loss or physical damage is not covered elsewhere in this policy or any other policy that insures the "perishable stock" at the "scheduled premises"; and
  - (b) This Temperature Change coverage is shown as a specific item of insurance in the Declarations.
2. In the event of physical loss or physical damage, none of the other coverages under this policy or any other policy will share in its payment unless the provisions of the policy are similar to the provisions of this Optional Coverage.
3. We will not pay more than the Limit of Insurance shown in the Declarations for the Temperature Change.

**H. ADDITIONAL DEFINITIONS**

For the purpose of this insurance:

1. "Mechanical breakdown" means:

- (a) Breaking or separation of any mechanical part(s) other than gas pipes or lines; or
- (b) Burning out of any electrical motor servicing such unit; and

requiring replacement of the damaged parts to become functional.

But "mechanical breakdown" does not mean faulty operation or failure of equipment which results in temperature change but does not require replacement of broken parts.

We will not pay for direct physical loss or physical damage to "perishable stock" caused by such faulty operation or failure of equipment.

2. "Perishable stock" means personal property:

- (a) Maintained under controlled conditions for its preservation; and
- (b) Susceptible to direct physical loss or physical damage if the controlled conditions change.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **VALUABLE PAPERS AND RECORDS**

This endorsement modifies insurance provided under the following:

### **STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM**

This coverage applies only when it is indicated in the Declarations. The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

- A.** We will pay for direct physical loss of or physical damage to the following types of property at the "scheduled premises" that is your property or property of others in your care, custody or control:

Valuable Papers and Records, meaning inscribed, printed or written:

- (1) Documents;
- (2) Manuscripts;
- (3) Records including patient records; or
- (4) X-Rays

including abstracts, books, deeds, drawings, films, maps or mortgages.

**But Valuable Papers and Records does not include:**

- (1) Property that cannot be reproduced, replaced or restored;
- (2) "Money" and "Securities";
- (3) Converted data; or
- (4) Programs or instructions used in your data processing operations, including the material on which the data is recorded.

**B. Limit of Insurance**

The most we will pay for direct physical loss or physical damage in any one occurrence is the Limit of Insurance for Valuable Papers and Records shown in the Declarations.

**C. Deductible**

We will not pay for loss in any one Occurrence unless the amount of loss exceeds the policy deductible stated in the Declarations. We will then pay the amount of loss in excess of the Deductible, up to the Limit of Insurance.

- D.** Under this Optional Coverage we will not pay for property:

- (1) Held as samples or for delivery after sale;
- (2) In storage away from the premises shown in the Declarations; or
- (3) If such property can not be replaced with other property of like kind and quality.

- E.** With respect to this Optional Coverage, Coverage Extension **A.5.h.**, Property Off-Premises in the Standard Property Coverage Form and Coverage Extension **A.6.h.**, Property Off-Premises in the Special Property Coverage Form are replaced by the following:

1. You may apply the insurance provided under this Optional Coverage to Valuable Papers and Records while such property is not at the "scheduled premises", including while in transit. The most we will pay for direct physical loss or physical damage under this Coverage Extension is 25% of the Limit of Insurance shown in the Declarations for Valuable Papers and Records but not more than \$25,000.
2. However, if Valuable Papers and Records – Off-Premises is scheduled in the Declarations, then the limit in E.1. above is replaced by the limit of insurance shown in the Declarations for Valuable Papers and Records – Off-Premises.

- F.** The Valuable Papers and Records Coverage Extension, paragraph **A.5.i.** in the Standard Property Coverage Form and paragraph **A.6.i.** in the Special Property Coverage Form, do not apply to any premises where this Optional Coverage applies.

- G.** With respect to coverage provided by this endorsement, paragraph **E.5.d.(6)** in the Standard Property Coverage Form and in the Special Property Coverage Form are replaced by the following:

- (6) We will determine the value of "Valuable Papers and Records" at the cost of:
  - a. Blank materials for reproducing the records; and

- b. The reasonable cost to research, replace or restore the lost information.

**H. Section B. Exclusions** does not apply to this Optional Coverage except for:

- (1) Governmental Action;
- (2) Nuclear Hazard; and
- (3) War and Military Action.

**I. Additional Exclusions**

We will not pay for direct physical loss or physical damage caused by or resulting from any of the following:

- (1) Dishonest acts by:
  - (a) You, or your employees or authorized representatives;
  - (b) Anyone else with an interest in the property, or their employees or authorized representatives; or

- (c) Anyone else to whom the property is entrusted.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

But this exclusion does not apply to a carrier for hire.

- (2) Errors or omissions in processing or copying.

But we will pay for direct physical loss or physical damage caused by resulting fire or explosion.

- (3) Electrical or magnetic injury, disturbance or erasure of electronic recordings.

But we will pay for direct physical loss or physical damage caused by lightning.

- (4) Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

- (5) Unauthorized instructions to transfer property to any person or to any place.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CRIME COMMON CONDITIONS AND EXCLUSIONS**

This endorsement modifies insurance provided under the following:

### **STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM**

The following conditions are added the **Standard Property Coverage Form** and the **Special Property Coverage Form**.

#### **A. CRIME COMMON CONDITIONS**

##### **1. Consolidation - Merger**

If through consolidation or merger with, or purchase of assets of, some other entity:

- a. Any additional persons become "employees"; or
  - b. You acquire the use and control of any additional premises;
- any insurance afforded for "employees" or premises also applies to those additional "employees" and premises, but only if you:

- (1) Give us written notice within 60 days thereafter; and
- (2) Pay us an additional premium.

##### **2. Discovery Period for Loss**

We will pay only for covered loss discovered no later than one year from the end of the policy period.

Discovery of loss occurs when you first become aware of facts which would cause a reasonable person to assume that a loss covered by this policy has been, or may be incurred even though the exact amount or the details of the loss may not then be known.

Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts, which if true, would be a covered loss under this policy.

##### **3. Joint Insured**

- a. If more than one Insured is named in the Declarations, the first named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first named Insured ceases to be covered, then the next named Insured will become the first named Insured.
- b. If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- c. An "employee" of any Insured is considered to be an "employee" of every Insured.
- d. If this insurance or any of its coverages is canceled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered no later than one year from the date of that cancellation or termination.
- e. We will not pay more for loss sustained by more than one Insured than the amount we would pay if all the loss had been sustained by one Insured.

##### **4. Legal Action Against Us**

The following replaces the Legal Action Against Us in the Property Loss Conditions:

No one may bring a legal action against us under this Coverage Part unless:

- a. There has been full compliance with all of the terms of this Coverage Part; and
- b. The action is brought within 2 years after the date on which you discover the loss .



**5. Loss Sustained During Prior Insurance**

- a. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:
  - (1) This insurance became effective at the time of cancellation or termination of the prior insurance; and
  - (2) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
- b. The insurance under this Condition is part of, not in addition to, the Limits of Insurance applying to this insurance and is limited to the lesser of the amount recoverable under:
  - (1) This insurance as of its effective date; or
  - (2) The prior insurance had it remained in effect.

**6. Non-Cumulation of Limit of Insurance**

Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

**7. Loss Covered Under This Insurance and Prior Insurance Issued by Us or Any Affiliate**

If any loss is covered under this policy and under any prior canceled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest, we will not pay more than the highest single Limit of Insurance. We will settle such claim as follows:

- a. We will first pay the Limit of Insurance applicable under this policy subject to this policy's applicable deductible; then
- b. If the Limit of Insurance under that prior policy is equal to or less than the Limit of Insurance under this policy, we will make no further payment; or
- c. If the Limit of Insurance under that prior policy is higher than the Limit of Insurance under this policy, we will then pay for any remaining part of the loss.

But in no event will our total payment for loss be more than would be payable under the policy with the highest Limit of Insurance.

We will also apply any deductible under that prior policy to the extent it exceeds the deductible under this policy.

**8. Ownership of Property, Interests Covered**

The property covered under this insurance is limited to property:

- a. That you own or hold; or
- b. For which you are legally liable.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.

**9. Policy Period**

- a. The Policy Period is stated in the Declarations.
- b. Subject to the Loss Sustained During Prior Insurance condition, **A.5.** above, we will pay only for loss that you sustain through acts committed or events occurring during the Policy Period.

**10. Recoveries**

The following replaces the Recovered Property in the Property Loss Conditions:

- a. Any recoveries less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:
  - (1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
  - (2) Then to us, until we are reimbursed for the settlement made;
  - (3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.
- b. Recoveries do not include any recovery:
  - (1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
  - (2) Of original "securities" after duplicates of them have been issued.

**B. CRIME COMMON EXCLUSIONS**

The following are Exclusions replace the Exclusions in Section B:

**1. Governmental Action**

We will not pay for loss resulting from seizure or destruction of property by order of governmental authority.

**2. Indirect Loss**

We will not pay for loss that is an indirect result of any act or occurrence covered by this insurance including, but not limited to, loss resulting from:

- a. Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property.
- b. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
- c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

**3. Legal Expenses**

We will not pay for expenses related to any legal action.

**4. Nuclear Hazard**

We will not pay for loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.

**5. War and Similar Actions**

We will not pay for loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

**C. CRIME COMMON DEFINITIONS**

The following is added to Definitions

**"Employee"** means:

1. Any natural person:
  - a. While in your service (and for 60 days after termination of service); and
  - b. Whom you compensate directly by salary, wages or commissions; and
  - c. Whom you have the right to direct and control while performing services for you;
2. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises;

3. Any natural person who is your partner or member of a limited liability corporation.
4. Any natural person, whether or not compensated, while performing services for you as the chairman or a member of any committee;
5. Any natural person who is a non-compensated officer;
6. Any natural person who is a director or trustee while acting as a member of any of your elected or appointed committees or while acting within the scope of the usual duties of an "employee";
7. Any natural person who is a non-compensated volunteer, other than one who is a fund solicitor, while performing services for you that are usual to the duties of an "employee";
8. Any natural person who is a former employee, director, partner, member, representative or trustee retained as a consultant while performing services for you;
9. Any natural person who is a student intern who is pursuing studies or acting within the scope of the usual duties of an "employee";
10. Any natural person, who is a student enrolled in your facility, while handling or has possession of property or funds in connection with sanctioned student activities;
11. The spouses of and children over 18 years old who reside with any "employee" who is a building manager, superintendent or janitor.

Each family is deemed to be, collectively, one "employee" for the purposes of this insurance, except that any Termination Condition applies individually to the spouse and children.

**"Employee" does not mean:**

- (1) An agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Any manager, director, partner, member or trustee, except while acting within the scope of the usual duties of an "employee".



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FORGERY COVERAGE**

**(Including Credit Cards, Currency and Money Orders)**

This endorsement modifies insurance provided under the following:

### **STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM**

Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

**The following is added to Additional Coverages:**

#### **A. FORGED OR ALTERED INSTRUMENTS COVERAGE**

##### **1. Covered Property**

Covered Property means the following instruments:

- a. Checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

- (1) Made or drawn by or drawn upon you;
- (2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn; and

- b. Written instruments required in conjunction with any credit, debit or charge card issued to you or any "employee" for business purposes.

##### **2. Covered Causes of Loss**

Covered Causes of Loss means forgery or alteration.

##### **3. Legal Expense Additional Coverage**

If you are sued for refusing to pay any Covered Instrument on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we

will pay for any reasonable legal expenses that you incur and pay in that defense. This payment is in addition to the applicable Limit of Insurance. The Deductible does not apply to this Coverage Extension.

##### **4. Additional Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Crime Common Conditions and Exclusions Form.

- a. We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.
- b. You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.
- c. The Coverage Territory is revised to cover loss you sustain anywhere in the world.

##### **5. Exclusion**

The following Exclusion applies in addition to the Exclusions in the Crime Common Conditions and Exclusions.

We will not pay for loss resulting from any dishonest or criminal act committed by any of your "employees", directors, or trustees:

- a. Acting alone or in collusion with other persons; or
- b. While performing services for you or otherwise.

**B. COUNTERFEIT CURRENCY AND MONEY  
ORDERS COVERAGE**

**1. Covered Property**

Covered Property means the following:

We will pay for loss directly resulting from

- a. Money orders, including counterfeit money orders, of any United States or Canadian post office, express company or national or state (or Canadian) chartered bank that are not paid upon presentation; and
- b. Counterfeit United States or Canadian paper currency.

**2. Covered Causes of Loss**

Covered Causes of Loss means the acceptance of Covered Property in good faith, in exchange for merchandise, money or services, during the regular course of business.

**3. Exclusions**

The following Exclusion applies in addition to the Exclusions in the Crime Common Conditions and Exclusions.

- a. We will not pay for loss resulting from any dishonest or criminal act committed by any of your "employees", directors, trustees or authorized representatives:
  - (1) Acting alone or in collusion with other persons; or
  - (2) While performing services for you or otherwise.

- b. We will not pay for loss resulting from the giving or surrendering of property in any exchange or purchase.
- c. We will not pay for loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

**C. DEDUCTIBLE**

We will not pay for loss in any one Occurrence unless the amount of loss exceeds the **Deductible** stated in the Declarations. We will then pay the amount of loss in excess of the Deductible, up to the Limit of Insurance.

**D. LIMIT OF INSURANCE**

The most we will pay for each Occurrence of loss under this Endorsement is the Forgery Limit of Insurance stated in the Declarations.

The Additional Coverages are included in this Limit of Insurance.

**E. OCCURRENCE DEFINITION**

- 1. For Forged or Altered Instruments Coverage, **Occurrence** means all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments of Covered Property.
- 2. For Counterfeit Currency and Money Order Coverage, **Occurrence** means an:
  - a. Act or series of related acts involving one or more persons; or
  - b. Act or event, or series of related acts or events not involving any person.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **OFF-PREMISES UTILITY SERVICES – DIRECT DAMAGE**

This endorsement modifies insurance provided under the following:

### **STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM**

Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

#### **A. DIRECT DAMAGE EXTENSION FOR OFF-PREMISES UTILITY SERVICES**

This Coverage Extension applies only to the "scheduled premises" shown in the Declarations with a Utility Services Limit of Insurance. The Utility Services Limit of Insurance is part of, not in addition to, the Limit of Insurance stated in the Declarations as applicable to the Covered Property.

We will pay for direct physical loss of or physical damage to Covered Property described in the Declarations caused by the interruption of utility service to the "scheduled premises". The interruption must result from direct physical loss or physical damage by a Covered Cause of Loss to the following property, not on the "scheduled premises":

1. "Water Supply Services";
2. "Communication Supply Services"; or
3. "Power Supply Services".

#### **B. ADDITIONAL DEFINITIONS**

1. **"Water Supply Services"**, meaning the following types of property supplying water to the "scheduled premises":
  - a. Pumping stations; and
  - b. Water mains.
2. **"Communication Supply Services"**, meaning property supplying communication services, including telephone, radio, microwave or television services, including overhead transmission lines to the "scheduled premises", such as:
  - a. Communication transmission lines, including optic fiber transmission lines;
  - b. Coaxial cables; and
  - c. Microwave radio relays except satellites.
3. **"Power Supply Services"**, meaning the following types of property supplying electricity, steam or gas, including overhead transmission lines to the "scheduled premises":
  - a. Utility generating plants;
  - b. Switching stations;
  - c. Substations;
  - d. Transformers; and
  - e. Transmission Lines.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CYBERFLEX COVERAGE**

This endorsement modifies insurance provided under the following:

### **BUSINESS LIABILITY COVERAGE FORM**

This endorsement modifies coverage under the Business Liability Coverage Form for your web site or internet related activities.

**A. Exclusion 1.p. "Personal and Advertising Injury"**  
(Section B. - EXCLUSIONS) is modified as follows:

1. Paragraphs (4), (5) and (7) are deleted and replaced by the following:

(4) Arising out of any breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement" or on "your web site";

(5) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement" or on "your web site";

(7) (a) Arising out of any actual or alleged infringement or violation of any intellectual property rights, such as copyright, patent, trademark, trade name, trade secret, service mark or other designation of origin or authenticity; or

(b) Any injury or damage alleged in any claim or "suit" that also alleges an infringement or violation of any intellectual property right, whether such allegation of infringement or violation is made against you or any other party involved in the claim or "suit", regardless of whether this insurance would otherwise apply.

However, this exclusion does not apply if the only allegation in the claim or "suit" involving any intellectual property right is limited to:

- (1) Infringement in your "advertisement", of:

(a) Copyright;

(b) Slogan; or

(c) Title of any literary or artistic work; or

(2) Copying in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement".

2. Paragraph (9) does not apply.

3. Subparagraphs (a), (b) and (c) of Paragraph (12) do not apply.

**B. Section G. - LIABILITY AND MEDICAL EXPENSES DEFINITIONS** is amended as follows:

1. Paragraph b. of definition 1. "advertisement" is deleted and replaced by:

"Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through:

b. The Internet;

2. Paragraphs f. and g. of the definition of "personal and advertising injury" are deleted and replaced by the following:

"Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

f. Copying, in your "advertisement" or on "your web site", a person's or organization's "advertising idea" or style of "advertisement";

g. Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement" or on "your web site"; or

3. The following is added to the definition of "personal and advertising injury":

As used in this definition, oral, written or electronic publication includes publication of material in your care, custody or control by someone not authorized to access or distribute that material.

4. The following definition is added:

"Your web site" means a web page or set of interconnected web pages prepared and maintained by you, or by others on your behalf, for the purposes of promoting your goods or services, that is accessible over a computer network.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EQUIPMENT BREAKDOWN DEDUCTIBLE**

This endorsement modifies insurance provided under the following:

### **SPECIAL PROPERTY COVERAGE FORM**

The following deductible applies to direct physical loss or physical damage for which coverage is provided under **Additional Coverage** paragraph 5.c. **Equipment Breakdown**:

1. We will not pay for direct physical loss or physical damage in any one occurrence unless the amount of physical loss or physical damage exceeds the Equipment Breakdown Deductible stated in the Declarations. We will then pay the amount of the physical loss or physical damage in excess of the Equipment Breakdown Deductible up to the applicable Limit of Insurance for Covered Property.
2. You must give us notice as soon as possible of any direct physical loss or physical damage, even if the physical loss or physical damage falls entirely within the Equipment Breakdown Deductible.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LIMITED FUNGI, BACTERIA OR VIRUS COVERAGE**

This endorsement modifies insurance provided under the following:

**SPECIAL PROPERTY COVERAGE FORM  
STANDARD PROPERTY COVERAGE FORM  
PERSONAL PROPERTY OF OTHERS  
COMPUTERS AND MEDIA COVERAGE**

**A. Fungi, Bacteria or Virus Exclusions**

1. Paragraph **A.5.i.(5)** of the Increased Cost of Construction Additional Coverage of the Standard Property Coverage Form is replaced by the following:

(5) Under this Additional Coverage, we will not pay for:

- (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling, or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot, bacteria or virus; or
- (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants", "fungi", wet or dry rot, bacteria or virus.

2. The following exclusion is added to Paragraph **B.1**. Exclusions of the Standard Property Coverage Form and the Special Property Coverage Form; Paragraph **F.**, Additional Exclusions of Computers and Media, form SS 04 41, and to form SS 04 45, Personal Property of Others:

**i. "Fungi", Wet Rot, Dry Rot, Bacteria And Virus**

We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- (1) Presence, growth, proliferation, spread or any activity of "fungi", wet rot, dry rot, bacteria or virus.
- (2) But if "fungi", wet rot, dry rot, bacteria or virus results in a "specified cause of loss" to Covered Property, we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungi", wet or dry rot, bacteria or virus results from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage – Limited Coverage for "Fungi", Wet Rot, Dry Rot, Bacteria and Virus with respect to loss or damage by a cause of loss other than fire or lightning.

This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

- B.** The following Additional Coverage is added to Paragraph **A.4**. of the Standard Property Coverage Form or Paragraph **A.5**. of the Special Property Coverage Form, and applies to the optional coverage form SS 04 41, Computers and Media and SS 04 45, Personal Property of Others and form:



**1. Limited Coverage For "Fungi", Wet Rot, Dry Rot, Bacteria and Virus**

- a. The coverage described in 1.b. below only applies when the "fungi", wet or dry rot, bacteria or virus is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

- (1) A "specified cause of loss" other than fire or lightning;
- (2) Equipment Breakdown Accident occurs to Equipment Breakdown Property, if Equipment Breakdown applies to the affected premises.

- b. We will pay for loss or damage by "fungi", wet rot, dry rot, bacteria and virus. As used in this Limited Coverage, the term loss or damage means:

- (1) Direct physical loss or direct physical damage to Covered Property caused by "fungi", wet rot, dry rot, bacteria or virus, including the cost of removal of the "fungi", wet rot, dry rot, bacteria or virus;
- (2) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot, dry rot, bacteria or virus; and
- (3) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot, dry rot, bacteria or virus are present.

- c. Unless a higher Limit of Insurance is shown in the Declarations for Limited "Fungi", Bacteria or Virus Coverage, the coverage described under this Limited Coverage is no more than the Limit of Insurance stated in the Declarations for Building and Business Personal Property, but not greater than \$50,000.

If form SS 04 41, Computers and Media, and form SS 04 45, Personal Property of Others, are made a part of this policy, then the Limits of Insurance for Computers and Media, and Personal Property of Others is included within this coverage limit. This coverage is made applicable to separate "scheduled premises" as described in the Declarations. Regardless of the number of claims, this limit is the most we will pay per "scheduled premises" for the total of all loss or damage arising out of all

- (1) occurrences of "specified causes of loss" (other than fire or lightning); and

- (2) Equipment Breakdown Accident that occurs to Equipment Breakdown Property;

which take place in a 12-month period (starting with the beginning of the present annual policy period).

With respect to a particular occurrence of loss which results in "fungi", wet or dry rot, bacteria or virus, we will not pay more than the total of \$50,000 unless a higher Limit of Insurance is shown in the Declarations, even if the "fungi", wet or dry rot, bacteria, or virus continues to be present or active, or recurs, in a later policy period.

- d. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet rot, dry rot, bacteria or virus, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungi", wet rot, dry rot, bacteria or virus, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet or dry rot, bacteria or virus causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

- e. The terms of this Limited Coverage do not increase or reduce the coverage for Water Damage provided under provision B.1.h., **Exclusion – Water Damage** of the Standard Property Coverage Form or Additional Coverage provision A.5.n., **Water Damage, Other Liquid, Powder or Molten Material Damage** of the Special Property Coverage Form.

- f. The following applies only if a Time Element Coverage applies to the "scheduled premises" and only if the suspension of "operations" satisfies all the terms and conditions of the applicable Time Element Coverage.

- (1) If the loss which resulted in "fungi", wet or dry rot, bacteria or virus does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to

property caused by "fungi", wet or dry rot, bacteria or virus, then our payment under the Time Element Coverage is limited to the amount of loss and expense sustained in a period of not more than 30 days unless another number of days is indicated in the Declarations. The days need not be consecutive. If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet or dry rot, bacteria or virus, but remediation of "fungi", wet or dry rot, bacteria or virus prolongs the "period of restoration", we will pay for loss and expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days unless another number of days is indicated in the Declarations. The days need not be consecutive.

**C. Fungi Definition**

1. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TENANT'S LEGAL LIABILITY COVERAGE**

This endorsement modifies insurance provided under the following:

### **BUSINESS LIABILITY COVERAGE FORM**

- A.** The final paragraph of Section **B. Exclusions**, paragraph **1. Applicable to Business Liability Coverage** is deleted and replaced by the following:

Exclusions **c., d., e., g., h., and k.** through **o.** do not apply to "property damage" at the premises shown in the Declarations for Tenant's Legal Liability Coverage which are rented to you or temporarily occupied by you with the permission of the owner.
- B.** Paragraph **3. Each Occurrence Limit** (Section **D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE**) is deleted and replaced by the following with respect to the premises shown in the Declarations for Tenant's Legal Liability Coverage:

**3.** Subject to paragraph **2.** above, the most we will pay under this endorsement for the sum of all damages because of all "property damage" arising out of any one "occurrence" to premises while rented to you or temporarily occupied by you with the permission of the owner is the Tenant's Legal Liability Coverage Limit shown in the Declarations.
- C.** With respect to the premises shown in the Declarations for Tenant's Legal Liability Coverage, paragraph **5.** of Section **D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE** is deleted.
- D.** With respect to the premises shown in the Declarations for Tenant's Legal Liability Coverage, the final paragraph of paragraph **2.b.** of Section **D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE** is deleted.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **IDENTITY RECOVERY COVERAGE FOR BUSINESSOWNERS AND EMPLOYEES**

### **IDENTITY THEFT CASE MANAGEMENT SERVICE AND EXPENSE REIMBURSEMENT**

This endorsement modifies insurance provided under the following:

#### **SPECIAL PROPERTY COVERAGE FORM**

- A.** The following is added to paragraph 5. Additional Coverages (Section A. - Coverage):

#### **IDENTITY RECOVERY COVERAGE**

We will provide the Case Management Service and Expense Reimbursement Coverage indicated below if all of the following requirements are met:

1. There has been an "identity theft" involving the personal identity of an "identity recovery insured" under this policy; and
2. Such "identity theft" is first discovered by the "identity recovery insured" during the policy period for which this Identity Recovery coverage is applicable; and
3. Such "identity theft" is reported to us as soon as practicable but in no event later than 60 days after it is first discovered by the "identity recovery insured."

If all three of the requirements listed above have been met, then we will provide the following to the "identity recovery insured":

#### **1. Case Management Service**

Services of an "identity recovery case manager" as needed to respond to the "identity theft"; and

#### **2. Expense Reimbursement**

Reimbursement of necessary and reasonable "identity recovery expenses" incurred as a direct result of the "identity theft."

This coverage is additional insurance.

- B.** The following additional exclusions are added to Section B. - Exclusions and apply to this coverage:

#### **EXCLUSIONS**

We do not cover loss or expense arising from any of the following:

1. Theft of a professional or business identity.
2. Any fraudulent, dishonest or criminal act by an "identity recovery insured" or any person aiding or abetting an "identity recovery insured", or by any authorized representative of an "identity recovery insured", whether acting alone or in collusion with others. However, this exclusion shall not apply to the interests of an "insured" who has no knowledge of or involvement in such fraud, dishonesty or criminal act.
3. Loss other than "identity recovery expenses".
4. An "identity theft" that is first discovered by the "identity recovery insured" prior to or after the policy period for which this coverage applies. This exclusion applies whether or not such "identity theft" began or continued during the period of coverage.
5. An "identity theft" that is not reported to us within 60 days after it is first discovered by the "identity recovery insured."
6. An "identity theft" that is not reported in writing to the police.

**C. LIMITS OF INSURANCE**

1. Case Management Service is available as needed for any one "identity theft" for up to 12 consecutive months from the inception of the service. Expenses we incur to provide Case Management Service do not reduce the amount of limit available for Expense Reimbursement coverage.
2. Expense Reimbursement coverage is subject to a limit of \$15,000 annual aggregate per "identity recovery insured." Regardless of the number of claims, this limit is the most we will pay for the total of all loss or expense arising out of all "identity thefts" to any one "identity recovery insured" which are first discovered by the "identity recovery insured" during a 12-month period starting with the beginning of the present annual policy period. If an "identity theft" is first discovered in one policy period and continues into other policy periods, all loss and expense arising from such "identity theft" will be subject to the aggregate limit applicable to the policy period when the "identity theft" was first discovered.
  - a. Legal costs as provided under paragraph d. of the definition of "identity recovery expenses" are part of, and not in addition to, the Expense Reimbursement coverage limit.
  - b. Lost Wages and Child and Elder Care Expenses as provided under paragraphs e. and f. of the definition of "identity recovery" are jointly subject to a sublimit of \$250 per day, not to exceed \$5,000 in total. This sublimit is part of, and not in addition to, the Expense Reimbursement coverage limit. Coverage is limited to lost wages and expenses incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured".
  - c. Mental Health Counseling as provided under paragraph g. of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expense Reimbursement coverage limit. Coverage is limited to counseling that takes place within 12 months after the first discovery of the "identity theft" by the "identity recovery insured".

**D. DEDUCTIBLE**

Case Management Service is not subject to a deductible.

Expense Reimbursement coverage is subject to a deductible of \$250. Any one "identity recovery insured" shall be responsible for only one deductible under this Identity Recovery Coverage during any one policy period.

- E. The following additional conditions are added to Section F. - Property General Conditions and apply to this coverage:

**CONDITIONS****1. Assistance and Claims**

For assistance, the "identity recovery insured" should call the **Identity Recovery Help Line at 1-866-989-2905**.

The **Identity Recovery Help Line** can provide the "identity recovery insured" with:

- a. Information and advice for how to respond to a possible "identity theft"; and
- b. Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

In some cases, we may provide Case Management services at our expense to an "identity recovery insured" prior to a determination that a covered "identity theft" has occurred. Our provision of such services is not an admission of liability under the policy. We reserve the right to deny further coverage or service if, after investigation, we determine that a covered "identity theft" has not occurred.

As respects Expense Reimbursement Coverage, the "identity recovery insured" must send to us, within 60 days after our request, receipts, bills or other records that support his or her claim for "identity recovery expenses."

**2. Services**

The following conditions apply as respects any services provided by us or our designees to any "identity recovery insured" under this endorsement:

- a. Our ability to provide helpful services in the event of an "identity theft" depends on the cooperation, permission and assistance of the "identity recovery insured."
- b. All services may not be available or applicable to all individuals. For example, "identity recovery insureds" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in United States and Puerto Rico in accordance with local conditions.
- c. We do not warrant or guarantee that our services will end or eliminate all problems associated with an "identity theft" or prevent future "identity thefts."

- F. With respect to the provisions of this endorsement only, the following definitions are added to Section G. - Property Definitions:

#### DEFINITIONS

1. "Identity Recovery Case Manager" means one or more individuals assigned by us to assist an "identity recovery insured" with communications we deem necessary for re-establishing the integrity of the personal identity of the "identity recovery insured." This includes, with the permission and cooperation of the "identity recovery insured," written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.
2. "Identity Theft" means the fraudulent use of the social security number or other method of identifying an "identity recovery insured." This includes fraudulently using the personal identity of an "identity recovery insured" to establish credit accounts, secure loans, enter into contracts or commit crimes.  

"Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.
3. "Identity Recovery Expenses" means the following when they are reasonable and necessary expenses that are incurred in the United States or Canada as a direct result of an "identity theft":
  - a. Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an "identity theft."
  - b. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of your efforts to report an "identity theft" or amend or rectify records as to your true name or identity as a result of an "identity theft."
  - c. Costs for up to twelve (12) credit reports from established credit bureaus dated within 12 months after your knowledge or discovery of an "identity theft."
  - d. Legal Costs  
 Fees and expenses for an attorney approved by us for:
    - (1) Defending any civil suit brought against an "identity recovery insured" by a creditor or collection agency or entity acting on behalf of a creditor for non-payment of goods or services or default on a loan as a result of an "identity theft"; and

- (2) Removing any civil judgment wrongfully entered against an "identity recovery insured" as a result of the "identity theft."

#### e. Lost Wages

Actual lost wages of the "identity recovery insured" for time reasonably and necessarily take away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.

#### f. Child and Elder Care Expenses

Actual costs for supervision of children or elderly or infirm relatives or dependents of the "identity recovery insured" during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured".

#### g. Mental Health Counseling

Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured".

#### 4. "Identity Recovery Insured" means the following:

- a. A full time employee of the entity insured under this policy; or
- b. The owner of the entity insured under this policy who meets any of the following criteria:
  - (1) A sole proprietor of the insured entity;
  - (2) A partner in the insured entity; or
  - (3) An individual having an ownership position of 20% or more of the insured entity.

An "identity recovery insured" must always be an individual person. The entity insured under this policy is not an "identity recovery insured."

All other provisions of this policy apply.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **BUILDING LIMIT- AUTOMATIC INCREASE REVISION**

This endorsement modifies insurance provided under the following:

### **SPECIAL PROPERTY COVERAGE FORM STANDARD PROPERTY COVERAGE FORM**

Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

- A.** Paragraph C.5 Building Limit-Automatic Increase of the **SPECIAL PROPERTY COVERAGE FORM** or **STANDARD PROPERTY COVERAGE FORM** is deleted.
- B.** The following is added to **Additional Coverages**, paragraph A.5 of the **SPECIAL PROPERTY COVERAGE FORM** or paragraph A.4. of the **STANDARD PROPERTY COVERAGE FORM**:

#### **Building Limit - Automatic Increase**

- a. If the covered loss or damage to Building property at a "scheduled premises" exceeds the Limit of Insurance stated in the Declarations, the Limit of Insurance available for the covered loss or damage in that occurrence will automatically increase by up to 8%.
- b. The amount of increase will be:
- (1) The Limit of Insurance for Buildings that applied on the most recent of the policy inception date, policy anniversary date, or the date of any other policy change amending the Building limit, multiplied by
  - (2) The 8% annualized percentage of Automatic Increase, expressed as a decimal (08), multiplied by

- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance for Buildings, divided by 365.

Example:

The applicable Limit of Insurance for Buildings is \$100,000. The automatic increase percentage is 8%. The number of days since the beginning of the policy period (or last policy change) is 146.

The amount of increase is:

$\$100,000 \times .08 \times 146 \text{ divided by } 365 = \$3,200$



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AMENDMENT - DEFINITION OF INSURED CONTRACT**

This endorsement modifies insurance provided under the following:

### **BUSINESS LIABILITY COVERAGE FORM**

Paragraph **f.** of the definition of "insured contract" in the **Liability And Medical Expenses Definitions** Section is replaced by the following:

- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** includes that part of any contract or agreement that indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.

However, Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a)** Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports surveys, field orders, change orders, designs or drawings and specifications; or
  - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (2)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(1)** above and supervisory, inspection, architectural or engineering activities.





**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FOOD CONTAMINATION COVERAGE**

This endorsement modifies insurance provided under the following:

### **STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM**

This coverage applies only when it is indicated in the Declarations. The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

This insurance applies only when Business Income and Extra Expense Additional Coverage is included in the policy.

#### **A. COVERAGE**

We will pay the actual loss of Business Income and Extra Expense if your "operations" at any "scheduled premises" are ordered by a government authority to be suspended due to the discovery of or the suspicion of "food contamination".

"Food Contamination" means the incidence of food poisoning to one or more of your patrons that is caused by or results from tainted food you purchased, improperly stored, handled or prepared, or a communicable disease that was transmitted by you or one or more of your employees.

Extra Expense coverage is limited to the following:

1. The cost to clean and sanitize your equipment as required by the government authority;
2. The cost to replace food which is or is suspected of being contaminated; and
3. The cost of necessary medical tests or inoculations for your employees to prevent the spread of identified or suspected communicable diseases to your patrons through the ingestion of your food product.

Coverage begins at the time you were notified by the government authority to suspend your "operations" at a "scheduled premises" and ends with the notification to resume "operations" at that same "scheduled premises" from the same government authority.

#### **B. ADDITIONAL COVERAGE**

We will pay up to \$2,500 for the cost of advertising to regain customers following the notification to resume "operations" at that same "scheduled premises" by the same government authority.

This coverage ends 30 days after the government authority provides you with the notification to resume "operations" at that same "scheduled premises".

#### **C. LIMIT OF INSURANCE**

The most we will pay under this Additional Coverage, regardless of the number of patrons or locations involved in any one order by a governmental authority, is the Limit of Insurance shown in the Declarations for Food Contamination Coverage.

#### **D. EXCLUSIONS**

We will not pay any fines or penalties levied against you by the government authority as the result of the order of suspension due to the discovery of or the suspicion of "food contamination" at your "scheduled premises".



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - PLAYGROUND FACILITY**

This endorsement modifies insurance provided under the following:

### **BUSINESS LIABILITY COVERAGE FORM**

**A.** This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the:

1. Ownership;
2. Maintenance;
3. Operation; or
4. Use,

of any "playground facility".

**B.** Additional Definition:

"Playground facility" means an area designated for recreational activities specifically set aside for children. Such an area is usually equipped with recreational equipment including, but not limited to:

1. Swings;
2. Slides; and
3. Merry-go-rounds.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - NUCLEAR ENERGY LIABILITY**

1. This insurance does not apply:
  - a. To any injury or damage:
    - (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
    - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
      - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
      - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
  - b. Under any Medical Payments or Medical Expenses Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
  - c. To any injury or damage resulting from the "hazardous properties" of "nuclear material"; if:
    - (1) The "nuclear material":
      - (a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
      - (b) Has been discharged or dispersed therefrom;
    - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
  - (3) The injury or damage arises out of the furnishing by any insured of any "technology services" in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; or
  - (4) The injury or damage arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (4) applies only to "property damage" to such "nuclear facility" and any property thereat.
2. As used in this exclusion:
  - a. "Byproduct material", "source material" and "special nuclear material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
  - b. "Computer system and network" means:
    - (1) Leased or owned computer hardware including mobile, networked, and data storage computing equipment;
    - (2) Owned or licensed software;
    - (3) Owned websites;
    - (4) Leased or owned wireless input and output devices; and
    - (5) Electronic backup facilities and data storage repositories employed in conjunction with items 1 through 4 above.
  - c. "Hazardous properties" include radioactive, toxic or explosive properties.
  - d. "Nuclear facility" means:
    - (1) Any "nuclear reactor";
    - (2) Any equipment or device designed or used for:
      - (a) Separating the isotopes of uranium or plutonium;
      - (b) Processing or utilizing "spent fuel"; or
      - (c) Handling, processing or packaging "waste"

- (3) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

- e. "Nuclear material" means "byproduct material", "source material" or "special nuclear material".
- f. "Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
- g. Injury or damage and "property damage" include all forms of radioactive contamination of property.
- h. "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".
- i. "Technology services" means:
  1. the following services performed for others:
    - a. Consulting, analysis, design, installation, training, maintenance, support and repair of or on: software, wireless applications, firmware, shareware, networks, systems, hardware, devices or components;

- b. Integration of systems;
  - c. Processing of, management of, mining or warehousing of data;
  - d. Administration, management, operation or hosting of: another party's systems, technology or computer facilities;
  - e. Website development; website hosting;
  - f. Internet access services; intranet, extranet or electronic information connectivity services; software application connectivity services;
  - g. Manufacture, sale, licensing, distribution, or marketing of: software, wireless applications, firmware, shareware, networks, systems, hardware, devices or components;
  - h. Design and development of: code, software or programming;
  - i. Providing software application: services, rental or leasing;
  - j. Screening, selection, recruitment or placement of candidates for temporary or permanent employment by others as information technology professionals;
  - k. "Telecommunication services"; and
  - l. "Telecommunication products".
2. web-related software and connectivity services performed for others; and
  3. activities on the "named insured's" "computer system and network".



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - UNMANNED AIRCRAFT (PROPERTY)**

This endorsement modifies insurance provided under the following:

### **SPECIAL PROPERTY COVERAGE FORM**

Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

#### **A. COVERAGE**

Paragraph **A.2., Property Not Covered**, Subparagraph **a.** is deleted and replaced with the following:

- a. Aircraft (including "unmanned aircraft"), automobiles, motor trucks and other vehicles subject to motor vehicle registration.

#### **C. DEFINITIONS**

The following changes are made to Section **G., PROPERTY DEFINITIONS**:

1. The following definition is added:

"Unmanned aircraft" means an aircraft that is not:

- a. Designed;
- b. Manufactured; or
- c. Modified after manufacture

to be controlled directly by a person from within or on the aircraft and which is owned by you or owned by others but in your care, custody, or control.

"Unmanned aircraft" includes equipment designed for and used exclusively with the "unmanned aircraft", provided such equipment is essential for operation of the "unmanned aircraft" or for executing "unmanned aircraft operations".

2. The following definition is added:

"Unmanned aircraft operations" means your business activities in support of the specific operations listed in the Description of Business section of the Declarations.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – FUNGI AND BACTERIA (MASSACHUSETTS)**

This endorsement modifies insurance provided under the following:

**BUSINESS LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM**

This insurance does not apply to:

1. Injury or damage arising out of or related to the presence of, suspected presence of, or exposure to:
  - a. Fungi;
  - b. Bacteria; or
  - c. Spores, odors, particulates, byproducts, mycotoxins or endotoxins resulting from any of the organisms listed in a. or b. above;That are on or within a building, from any source whatsoever.
2. Any loss, cost or expense arising out of the testing for, monitoring of, cleaning up of, removal of, containment of, treatment of, detoxification of, neutralization of, remediation of, disposal of, or any other response to or assessment of, the effects of any of the items in 1.a., b. or c. above, from any source whatsoever.

However, this exclusion does not apply to "bodily injury" or "property damage" caused by the ingestion of food.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

**BUSINESS LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM  
SPECIAL PROPERTY COVERAGE FORM  
STANDARD PROPERTY COVERAGE FORM  
UMBRELLA LIABILITY PROVISIONS**

### **A. Disclosure Of Federal Share Of Terrorism Losses**

The United States Department of the Treasury will reimburse insurers for a portion of such insured losses, as indicated in the table below that exceeds the applicable insurer deductible:

<b>Calendar Year</b>	<b>Federal Share of Terrorism Losses</b>
<b>2015</b>	<b>85%</b>
<b>2016</b>	<b>84%</b>
<b>2017</b>	<b>83%</b>
<b>2018</b>	<b>82%</b>
<b>2019</b>	<b>81%</b>
<b>2020 or later</b>	<b>80%</b>

However, if aggregate industry insured losses, attributable to "certified acts of terrorism" under the federal Terrorism Risk Insurance Act, as amended (TRIA), exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. The United States government has not charged any premium for their participation in covering terrorism losses.

### **B. Cap On Insurer Liability for Terrorism Losses**

A "certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of federal Terrorism Risk Insurance Act, to be an act of terrorism under TRIA. The criteria contained in TRIA for a "certified act of terrorism" include the following:

1. The act results in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and

2. The act results in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of an United States mission; and
3. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate industry insured losses attributable to "certified acts of terrorism" under TRIA exceed \$100 billion in a calendar year, and we have met, or will meet, our insurer deductible under TRIA, we shall not be liable for the payment of any portion of the amount of such losses that exceed \$100 billion. In such case, your coverage for terrorism losses may be reduced on a pro-rata basis in accordance with procedures established by the Treasury, based on its estimates of aggregate industry losses and our estimate that we will exceed our insurer deductible. In accordance with the Treasury's procedures, amounts paid for losses may be subject to further adjustments based on differences between actual losses and estimates.

### **C. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, the inapplicability or omission of a terrorism exclusion, or the inclusion of terrorism coverage, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Form or Policy, such as losses excluded by the Pollution Exclusion, Nuclear Hazard Exclusion and the War And Military Action Exclusion.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

## **WAGE AND HOUR CLAIMS EXPENSES - EMPLOYMENT PRACTICES LIABILITY**

This endorsement modifies insurance provided under the following:

### **EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**

Exclusion B. in **SECTION III - EXCLUSIONS** is deleted and replaced by the following:

**B.** We shall not pay "loss" in connection with any "claim" based upon, arising from, or in any way related to:

1. any claims for unpaid wages (including overtime pay), workers' compensation benefits, unemployment compensation, disability benefits, or social security benefits;
2. any actual or alleged violation of the Worker Adjustment and Retraining Notification Act, the National Labor Relations Act, the Occupational Safety and Health Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, "ERISA", or any similar law; or
3. any "wage and hour violation".

Provided, however, that this Exclusion B. shall not apply to that portion of "loss" that represents:

- a. a specific amount the "insureds" become legally obligated to pay solely for a "wrongful act" of "retaliation"; or
- b. "Claims expenses" incurred to defend a "wage and hour violation" referenced in sub-paragraph 3. above subject to a Sub-Limit of Liability of \$ 0010000 that is part of, and not in addition to, the Limits of Liability applicable to this Coverage Part (the Wage and Hour Defense Costs Sub-Limit). Moreover:

1. **SECTION VIII.I.2.** of this Coverage Part notwithstanding, 100% of the "insured's" "claims expenses" covered pursuant to this sub-paragraph b. shall be allocated to covered "loss" until the Wage and Hour Defense Costs Sub-Limit is exhausted. Once the Wage and Hour Defense Costs Sub-Limit is exhausted, allocation shall continue in accordance with **SECTION VIII.I.2.**;
2. the Wage and Hour Defense Costs Sub-Limit is available notwithstanding the fact that a "wage and hour violation" is not an "employment practices wrongful act"; and
3. the Wage and Hour Defense Costs Sub-Limit is only available for "claim expenses" incurred to defend a "wage and hour violation" that occurred on or after the "retroactive date" and before the end of the "policy period", regardless of whether any such "claim" for a "wage and hour violation" is made during the "policy period" or the Extended Reporting Period, if applicable.

All other terms and conditions of this Coverage Part remain unchanged.



## **EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM (CLAIMS MADE)**

## **QUICK REFERENCE**

### **EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM (CLAIMS MADE)**

#### **READ YOUR POLICY CAREFULLY**

	<b>Beginning on Page</b>
<b>SECTION I: INSURING AGREEMENT</b>	<b>1</b>
<b>SECTION II: DEFINITIONS</b>	<b>1</b>
<b>SECTION III: EXCLUSIONS</b>	<b>5</b>
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## EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM



# EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM (CLAIMS MADE)

**NOTICE:** COVERAGE PROVIDED BY THIS COVERAGE PART IS CLAIMS MADE COVERAGE. EXCEPT AS OTHERWISE SPECIFIED HEREIN: COVERAGE APPLIES ONLY TO A CLAIM FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD AND WHICH HAS BEEN REPORTED TO US IN ACCORDANCE WITH THE APPLICABLE NOTICE PROVISIONS. COVERAGE IS SUBJECT TO THE INSURED'S PAYMENT OF THE APPLICABLE DEDUCTIBLE. PAYMENTS OF CLAIM EXPENSES ARE SUBJECT TO, AND REDUCE, THE AVAILABLE LIMITS OF LIABILITY. PLEASE READ THE COVERAGE PART CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER. UPON TERMINATION OF THIS COVERAGE PART, EXTENDED REPORTING PERIOD COVERAGE IS AVAILABLE.

Various provisions in this policy restrict coverage. Please read the entire policy carefully to determine your rights, duties and what is and is not covered.

Throughout this Coverage Part the words you and your refer to the "Named Insured" in the Declarations. The words we, us and our refer to the stock insurance company member of THE HARTFORD shown on the Declarations Page.

Words and phrases that appear in quotation marks are defined in **SECTION II - DEFINITIONS** of this Coverage Part.

In consideration of, and subject to, the payment of the premium by you and in reliance upon the accuracy and completeness of the "application", including but not limited to the statements, attachments and exhibits contained in and submitted with the "application", we agree with you, subject to all terms, exclusions and conditions of this Coverage Part, as follows:

## SECTION I - INSURING AGREEMENT

### Employment Practices Liability

We shall pay "loss" on behalf of the "insureds" resulting from an "employment practices claim" first made against the "Insureds" during the "policy period" or Extended Reporting Period, if applicable, for an "employment practices wrongful act" by the "insureds".

## SECTION II - DEFINITIONS

- A.** "Application" means the application for this Coverage Part, including any materials or information submitted therewith or made available to us during the underwriting process, which application shall be on file with us. Such "application" shall be deemed a part of this Coverage Part and attached hereto. In addition, "application" includes any warranty, representation or other statement provided to us within the past three years in connection with any policy or coverage part of which this Coverage Part is a renewal or replacement.
- B.** "Benefits" means perquisites, fringe benefits, deferred compensation, severance pay and any other form of compensation (other than

salaries, wages, or bonuses as a component of a front or back pay award).

- C.** "Claim" means any "employment practices claim".
- D.** "Claims expenses" means:
1. reasonable and necessary legal fees and expenses, including, but not limited to, e-discovery expenses, incurred in the defense or appeal of a "claim";
  2. "Extradition costs"; or
  3. the costs of appeal, attachment or similar bonds, provided that we shall have no obligation to furnish such bonds.

However, "claim expenses" shall not include:

- a. salaries, wages, remuneration, overhead or benefit expenses associated with any "insureds";
- b. any fees, expenses or costs which are incurred by or on behalf of a party which is not a covered "insured"; or
- c. any fees, expenses or costs which were incurred prior to the date on

**EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**

which we received written notice of the "claim" from the "insured".

- E. "Controlled partnership" means a limited partnership in which and so long as the "named insured" owns or controls, directly or indirectly, more than 50% of the limited partnership interest and an "insured entity" is the sole general partner.
- F. "Damages" means the amounts, other than "claim expenses", that the "insureds" are legally liable to pay solely as a result of a "claim" covered by this Coverage Part, including:
1. compensatory damages, including front pay and back pay;
  2. settlement amounts;
  3. pre- and post-judgment interest;
  4. costs awarded pursuant to judgments;
  5. punitive and exemplary damages;
  6. the multiple portion of any multiplied damage award; or
  7. liquidated damages under the Age Discrimination in Employment Act and the Family and Medical Leave Act.

However, "damages" shall not include:

- a. taxes, fines or penalties imposed by law;
  - b. non-monetary relief;
  - c. "Benefits";
  - d. future compensation for any person hired, promoted, or reinstated pursuant to a judgment, settlement, order or other resolution of a "claim";
  - e. "Stock benefits";
  - f. costs associated with providing any accommodations required by the Americans with Disabilities Act or any similar law; or
  - g. any other matters uninsurable pursuant to any applicable law; provided, however, that with respect to punitive and exemplary damages, or the multiple portion of any multiplied damage award, the insurability of such damages shall be governed by the internal laws of any applicable jurisdiction that most favors coverage of such damages.
- G. "Debtor in possession" means a "debtor in possession" as such term is defined in Chapter 11 of the United States Bankruptcy Code as well as any equivalent status under any similar law.

H. "Domestic partner" means any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law or any domestic partner relationship arrangement recognized outside of the United States and under the Human Resource policy of the "insured entity".

I. "Employee" means any natural person who was, is or shall become a(n):

1. employee of an "insured entity" including any part time, seasonal, temporary, leased, or loaned employee; or
2. volunteer or intern with an "insured entity".

J. "Employee data privacy wrongful act" means:

1. the failure to prevent any unauthorized access to or use of data containing "Private Employment Information" of any "Employee" or applicant for employment with the "Insured Entity" including any such failure that directly results in a violation with respect to the privacy of such "Employee's" or applicant's medical information under the Health Insurance Portability and Accountability Act (HIPAA) or credit information under the Fair Credit Reporting Act (FCRA); or
2. the failure to notify any "employee" or applicant for employment with the "insured entity" of any actual or potential unauthorized access to or use of "private employment information" of any "employee" or applicant for employment with the "insured entity", if such notice was required by state or federal regulation or statute.

K. "Employment practices claim" means any:

1. written demand for monetary damages or other civil non-monetary relief commenced by the receipt of such demand, including, without limitation, a written demand for employment reinstatement;
2. civil proceeding, including an arbitration or other alternative dispute resolution proceeding, commenced by the service of a complaint, filing of a demand for arbitration, or similar pleading; or
3. formal administrative or regulatory proceeding, including, without limitation, a proceeding before the Equal Employment Opportunity Commission or similar governmental agency, commenced by the filing of a notice of charges, formal investigative order or similar document;

by or on behalf of an "employee", an applicant for employment with an "insured entity", or an "independent contractor".

**EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**

"Employment practices claim" also means the receipt of a notice of violation, order to show cause, or a written demand for monetary or injunctive relief that is the result of an audit conducted by the United States Office of Federal Contract Compliance Programs.

"Employment practices claim" also means a written request to the "insureds" to toll or waive a statute of limitations regarding a potential "Employment practices claim" as described above. Such "claim" shall be commenced by the receipt of such request.

However, "employment practices claim" shall not include any labor or grievance proceeding or arbitration that is subject to a collective bargaining agreement.

**L. "Employment practices wrongful act" means:**

1. wrongful dismissal, discharge, or termination of employment (including constructive dismissal, discharge, or termination), wrongful failure or refusal to employ or promote, wrongful discipline or demotion, failure to grant tenure, negligent employment evaluation, or wrongful deprivation of career opportunity;
2. sexual or other workplace harassment, including bullying in the workplace, quid pro quo and hostile work environment;
3. employment discrimination, including discrimination based upon age, gender, race, color, creed, marital status, sexual orientation or preference, gender identity or expression, genetic makeup, or refusal to submit to genetic makeup testing, pregnancy, disability, HIV or other health status, Vietnam Era Veteran or other military status, or other protected status established under federal, state, or local law;
4. "Retaliation";
5. breach of any oral, written, or implied employment contract, including, without limitation, any obligation arising from a personnel manual, employee handbook, or policy statement; or
6. violation of the Family and Medical Leave Act.

"Employment practices wrongful act" also means the following, but only when alleged in addition to or as part of any "employment practices wrongful act" described above:

- a. employment-related wrongful infliction of mental anguish or emotional distress;

- b. failure to create, provide for or enforce adequate or consistent employment-related policies and procedures;
- c. negligent retention, supervision, hiring or training;
- d. employment-related invasion of privacy, defamation, or misrepresentation; or
- e. an "employee data privacy wrongful act".

**M. "ERISA" means the Employee Retirement Income Security Act of 1974.**

**N. "Extradition costs" means reasonable and necessary fees and expenses directly resulting from a "claim" in which an "insured person" lawfully opposes, challenges, resists or defends against any request for the extradition of such "insured person" from his or her current country of employ and domicile to any other country for trial or otherwise to answer any criminal accusation, including the appeal of any order or other grant of extradition of such "insured person".**

**O. "Financial insolvency" means the status of an "insured entity" as a result of:**

1. the appointment of any conservator, liquidator, receiver, rehabilitator, trustee, or similar official to control, supervise, manage or liquidate such "insured entity"; or
2. such "insured entity" becoming a "debtor in possession".

**P. "Independent contractor" means any natural person working in the capacity of an independent contractor pursuant to an "independent contractor agreement".**

**Q. "Independent contractor agreement" means any express contract or agreement between an "independent contractor" and an "insured entity" specifying the terms of the "insured entity's" engagement of such "independent contractor".**

**R. "Insured entity" means:**

1. the "named insured"; or
2. any "subsidiary".

"Insured entity" shall include any such entity as a "debtor in possession".

"Insured entity" shall also include any such entity in its capacity as a general partner of a "controlled partnership".

**S. "Insured person" means any:**

1. "Employee";
2. "Manager"; or

**EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**

3. regarding the Employment Practices Liability Insuring Agreement, an "independent contractor" provided that within 30 days of an "employment practices claim" having been made against such "independent contractor" that the "insured entity" agrees in writing to indemnify such "independent contractor" for any "loss" arising out of such "claim".
- T.** "Insureds" means any:
1. "Insured entity"; or
  2. "Insured person".
- U.** "Interrelated wrongful acts" means "wrongful acts" that have as a common nexus any fact, circumstance, situation, event, transaction, goal, motive, methodology, or cause or series of causally connected facts, circumstances, situations, events, transactions, goals, motives, methodologies or causes.
- V.** "Loss" means "claim expenses" and "damages".
- W.** "Manager" means any natural person who was, is or shall become a(n):
1. duly elected or appointed director, advisory director, board observer, advisory board member, officer, member of the board of managers or management committee member of an "insured entity";
  2. "Employee" in his/her capacity as legal counsel to an "insured entity"; or
  3. executive of an "insured entity" created outside the United States to the extent that such executive holds a position equivalent to those described in 1. or 2. above.
- X.** "Named insured" means the individuals, partnerships or corporations designated in the Declarations.
- Y.** "Notice manager" means the natural persons in the offices of the chief executive officer, chief financial officer, general counsel, risk manager, human resources manager or any equivalent position to the foregoing, of an "Insured Entity".
- Z.** "Policy period" means the period from the Effective Date to the Expiration Date set forth in the Declarations or any earlier cancellation date.
- AA.** "Private employment information" means any information regarding an "employee" or applicant for employment with the "insured entity", which is collected or stored by an "insured" for the purposes of establishing, maintaining or terminating an employment relationship.
- BB.** "Retaliation" means adverse treatment of an "employee" or "independent contractor" based upon such person:
1. exercising any rights under law, including, without limitation, rights under any workers compensation laws, the Family and Medical Leave Act, "ERISA", or the Americans with Disabilities Act;
  2. refusing to violate any law;
  3. assisting, testifying, or cooperating with a proceeding or investigation regarding alleged violations of law by any "insured";
  4. disclosing or threatening to disclose alleged violations of law to a superior or to any governmental agency; or
  5. filing any *whistle blower* claim against any "insured" under the federal False Claims Act, the Sarbanes-Oxley Act of 2002, or any similar law.
- CC.** "Stock benefits" means any offering, plan or agreement between an "insured entity" and any "employee" that grants stock, stock options or stock appreciation rights in the "insured entity" to such person, including, without limitation, restricted stock or any other stock grant. "Stock benefits" shall not include employee stock ownership plans or employee stock purchase plans.
- DD.** "Subsidiary" means any:
1. corporation in which and so long as the "named insured" owns or controls, directly or indirectly, more than 50% of the outstanding securities representing the right to vote for the election of the board of directors of such corporation;
  2. limited liability company in which and so long as the "named insured" owns or controls, directly or indirectly, the right to elect, appoint or designate more than 50% of such entity's managing members;
  3. a "controlled partnership";
  4. corporation operated as a joint venture in which and so long as the "named insured" owns or controls, directly or indirectly, exactly 50% of the issued and outstanding voting stock and which, pursuant to a written agreement with the owner(s) of the remaining issued and outstanding voting stock of such corporation, the "named insured" solely controls the management and operation of such corporation; or
  5. foundation, charitable trust or political action committee in which and so long as such entity or organization is controlled by the "named insured" or any "subsidiary" as defined in 1. through 4. above.

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**EE.** "Wage and hour violation" means any actual or alleged violation of the duties and responsibilities that are imposed upon an "insured" by any federal, state or local law or regulation anywhere in the world, including but not limited to the Fair Labor Standards Act or any similar law (except the Equal Pay Act), which govern wage, hour and payroll practices. Such practices include but are not limited to:

1. the calculation and payment of wages, overtime wages, minimum wages and prevailing wage rates;
2. the calculation and payments of benefits;
3. the classification of any person or organization for wage and hour purposes;
4. reimbursing business expenses;
5. the use of child labor; or
6. garnishments, withholdings and other deductions from wages.

**FF.** "Wrongful act" means any actual or alleged "employment practices wrongful act".

**SECTION III - EXCLUSIONS**

**A.** We shall not pay "Loss":

1. for bodily injury, sickness, disease, death, false arrest or imprisonment, abuse of process, malicious prosecution, trespass, nuisance or wrongful entry or eviction, or for injury to or destruction of any tangible property including loss of use or diminution of value thereof; provided, however, that this exclusion shall not apply to that portion of "loss" that directly results from mental anguish or emotional distress when alleged in connection with an otherwise covered "employment practices wrongful act";
2. for any actual or alleged "wrongful act" by "insured persons" of any "subsidiary" in their capacities as such, or by any "subsidiary", if such "wrongful act" actually or allegedly occurred when such entity was not a "subsidiary";
3. in connection with any "claim" based upon, arising from, or in any way related to any:
  - a. prior or pending demand, suit, or proceeding against any "insured" as of, or
  - b. audit initiated by the United States Office of Federal Contract Compliance Programs before,
 the effective date of the first Employment Practices Liability Coverage Part issued and continuously renewed by us, or the same or substantially similar fact, circumstance, or situation underlying or alleged in such demand, suit, proceeding, or audit;

4. in connection with any "claim" based upon, arising from, or in any way related to any fact, circumstance, or situation that, before the Effective Date in the Declarations, was the subject of any notice given under any other employment practices liability policy, management liability policy or other insurance policy which insures "wrongful acts" covered under this Coverage Part;
5. in connection with any "claim" based upon, arising from, or in any way related to the liability of others assumed by an "insured" under any contract or agreement; provided, however, this exclusion shall not apply to liability that would have been incurred in the absence of such contract or agreement;
6. for breach of any "independent contractor agreement"; or
7. for a lockout, strike, picket line, hiring of replacement workers or similar action in connection with any labor dispute, labor negotiation or collective bargaining agreement.

**B.** We shall not pay "loss" in connection with any "claim" based upon, arising from, or in any way related to:

1. any claims for unpaid wages (including overtime pay), workers' compensation benefits, unemployment compensation, disability benefits, or social security benefits;
2. any actual or alleged violation of the Worker Adjustment and Retraining Notification Act, the National Labor Relations Act, the Occupational Safety and Health Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, "ERISA", or any similar law; or
3. any "wage and hour Violation"

Provided, however, that this exclusion **B.** shall not apply to that portion of "loss" that represents a specific amount the "insureds" become legally obligated to pay solely for a "wrongful act" of "retaliation".

**C.** We shall not pay "loss" in connection with any "claim" based upon, arising from, or in any way related to liability incurred for breach of any oral, written, or implied employment contract; provided, however, that this exclusion shall not apply to liability that would have been incurred in the absence of such contract nor shall it apply to the portion of "loss" representing "claim expenses" incurred to defend against such liability.

**EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM****SECTION IV - DISCOVERY CLAUSE**

If, during the "policy period", the "insureds" become aware of a "wrongful act" that may reasonably be expected to give rise to a "claim", and, if written notice of such "wrongful act" is given to us during the "policy period", including the reasons for anticipating such a "claim", the nature and date of the "wrongful act", the identity of the "insureds" allegedly involved, the alleged injuries or damages sustained, the names of potential claimants, and the manner in which the "insureds" first became aware of the "wrongful act", then any "claim" subsequently arising from such "wrongful act" shall be deemed to be a "claim" first made during the "policy period" on the date that we receive the above notice.

**SECTION V - EXTENDED REPORTING PERIOD**

Subject to provisions A. through G. below, if this Coverage Part is canceled or non-renewed other than for non-payment of premium, you shall have the right to purchase an extended period to report "claims" under this Coverage Part for any "claim" first made during the period of time set forth in the Supplemental Extended Reporting Period Endorsement, and following the effective date of such cancellation or nonrenewal and reported in writing during such period or within sixty (60) days thereafter, but only with respect to any "wrongful act" which takes place prior to the effective date of such cancellation or nonrenewal.

- A. The Extended Reporting Period shall be effective only upon the payment of an additional premium. The additional premium will be 200% of the annual advance premium for this coverage. At the commencement of the Extended Reporting Period, the entire premium thereof shall be deemed fully earned and non-refundable.
- B. The quotation of a different premium or deductible or limit of liability for renewal is not a cancellation or refusal to renew for the purposes of this provision.
- C. You shall have no right to purchase the Extended Reporting Period, unless you have satisfied all conditions of the Coverage Part and all premiums and deductibles outstanding have been paid.
- D. Your right to purchase the Extended Reporting Period shall terminate unless written notice together with full payment of the premium for the Extended Reporting Period is given to us no later than sixty (60) days following the effective date of cancellation or nonrenewal.
- E. The fact that the period of time to report "claims" is extended by virtue of the Extended Reporting Period shall not increase or reinstate the Limit of Liability stated in the Declarations.

- F. Extended Reporting Periods do not extend the "policy period" or change the scope of coverage provided. They apply only to "wrongful acts" that occur before the end of the "policy period".

"Claims" for such injury which are first received within sixty (60) days after the "policy period", or during the Extended Reporting Period if in effect, will be deemed to have been made on the last date of the "policy period".

- G. Once in effect, Extended Reporting Periods may not be canceled by us.

**SECTION VI - COVERAGE TERRITORY**

Coverage under this Coverage Part applies worldwide, provided that the "claim" is made and any legal action is pursued within the United States, its territories, possessions or commonwealths, or Canada.

**SECTION VII - LIMITS OF LIABILITY AND DEDUCTIBLE**

- A. The maximum we will pay for each "claim" under this Coverage Part is the Each Claim Limit of Liability stated in the Declarations, subject to the Annual Aggregate Limit of Liability stated in the Declarations.

The maximum we will pay for all "claims" under this Coverage Part is the Annual Aggregate Limit of Liability stated in the Declarations, regardless of the number of "claims".

If the applicable Limit of Liability for this Coverage Part is exhausted, the premium for this Coverage Part shall be deemed fully earned. "Claim expenses" shall be part of, and not in addition to, the Limits of Liability. Payment of "claim expenses" by us shall reduce each Limit of Liability.

- B. We shall pay "loss" in excess of the Deductible applicable to each "claim" as specified on the Declarations.
- C. All Deductibles shall be borne by the "insureds" at their own risk; they shall not be insured.
- D. The Deductible shall apply to "claim expenses" covered hereunder. If, any "claim expenses" are incurred by us prior to the "insureds" complete payment of the Deductible, then the "insureds" shall reimburse us therefor upon our request.
- E. No Deductible shall apply to "loss" incurred by any "insured person" that an "insured entity" is not permitted by common or statutory law to indemnify, or is permitted or required to indemnify, but is not able to do so by reason of "financial insolvency".



**EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**

- F. If an "insured entity" is permitted or required by common or statutory law to indemnify an "insured person" for any "loss", or to advance "claim expenses" on their behalf, and does not do so other than because of "financial insolvency", then such "insured entity" and the "named insured" shall reimburse and hold us harmless for our payment or advancement of such "loss" up to the amount of the Deductible that would have applied if such indemnification had been made.
- G. If a "subsidiary" is unable to indemnify an "insured person" for any "loss", or to advance "claim expenses" on their behalf, because of "financial insolvency", then the "named insured" shall reimburse and hold us harmless for our payment or advancement of such "loss" up to the amount of the applicable Deductible that would have applied if such indemnification had been made.

The Limit of Liability for this Coverage Part applies separately to each consecutive annual period and to any remaining period of less than twelve (12) months starting with the beginning of the "policy period" shown in the Declarations, unless the "policy period" is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Liability.

**SECTION VIII - DUTIES IN THE EVENT OF CLAIM; DEFENSE AND SETTLEMENT**

- A. We shall have the right and duty to defend "claims" covered under this Coverage Part, even if such "claim" is groundless, false or fraudulent, provided that:
1. the "insureds" give notice to us in accordance with the applicable notice provisions; and
  2. such "claim" does not involve allegations, in whole or in part, of a "wage and hour violation".

For any "claim" involving allegations, in whole or in part, of a "wage and hour violation", it shall be the duty of the "insureds", and not our duty, to defend such "claim".

- B. If we have the duty to defend a "claim", our duty to defend such "claim" shall cease upon exhaustion of any applicable Limit of Liability.
- C. The "insureds" shall not admit or assume any liability, make any settlement offer or enter into any settlement agreement, stipulate to any judgment, or incur any "claim expenses" regarding any "claim" without our prior written consent, such consent not to be unreasonably withheld. We shall not be liable for any

admission, assumption, settlement offer or agreement, stipulation, or "claim expenses" to which we have not consented.

- D. We shall have the right to associate ourself in the defense and settlement of any "claim" that appears reasonably likely to involve this Coverage Part. We may make any investigation we deem appropriate in connection with any "claim". We may, with the written consent of the "insureds", settle any "claim" for a monetary amount that we deem reasonable.
- E. The "insureds" shall give to us all information and cooperation as we may reasonably request. However, if we are, in our sole discretion, able to determine coverage for cooperating "insureds", the failure of one "insured person" to cooperate with us shall not impact coverage provided to cooperating "insureds".
- F. With respect to a covered "claim" for which we do not have the duty to defend, we shall advance "claim expenses" in accordance with Section VIII I. that we believe to be covered under this Coverage Part until a different allocation is negotiated, arbitrated or judicially determined.

**G. Required Notice to Us**

As a condition precedent to coverage under this Coverage Part, the "insureds" shall give us written notice of any "claim" as soon as practicable after a "notice manager" becomes aware of such "claim", but in no event later than:

1. if this Coverage Part expires or is otherwise terminated without being renewed with us, ninety (90) days after the effective date of said expiration or termination; or
2. subject to **SECTION V**, the expiration of the Extended Reporting Period, if applicable;

provided, however, that if the Coverage Part is cancelled for non-payment of premium, the "insured" will give us written notice of such "claim", prior to the effective date of cancellation.

However, with regard to any "employment practices claim" which is brought as a formal administrative or regulatory proceeding, including, without limitation, a proceeding before the Equal Employment Opportunity Commission or similar governmental agency, commenced by the filing of a notice of charges, formal investigative order or similar document, as a condition precedent to coverage under this Coverage Part the

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"insureds" shall give us written notice of any "claim" as soon as practicable after a "notice manager" becomes aware of such "claim", but in no event later than:

3. if this Coverage Part is renewed, no more than 180 days after a "notice manager" becomes aware of such "claim"; or
4. if this Coverage Part expires or is otherwise terminated without being renewed with us, ninety (90) days after the effective date of said expiration or termination; or
5. subject to **SECTION V**, the expiration of the Extended Reporting Period, if applicable;

provided, if the Coverage Part is cancelled for non-payment of premium, the "insured" will give us written notice of such "claim", prior to the effective date of cancellation.

**H. Subrogation**

1. We shall be subrogated to all of the "insureds'" rights of recovery regarding any payment of "loss" by us under this Coverage Part. The "insureds" shall execute all papers required and do everything necessary to secure and preserve such rights, including the execution of any documents necessary to enable us to effectively bring suit in the name of the "insureds". The "insureds" shall do nothing to prejudice our position or any potential or actual rights of recovery.
2. We shall not exercise our rights of subrogation against an "insured person" under this Coverage Part unless such "insured person" has:
  - a. obtained any personal profit, remuneration or advantage to which such "insured person" was not legally entitled, or
  - b. committed a criminal or deliberately fraudulent act or omission or any willful violation of law,
 if a judgment or other final adjudication establishes such personal profit, remuneration, advantage, act, omission, or violation.

**I. Allocation**

Where "insureds" who are afforded coverage for a "claim" incur an amount consisting of both "loss" that is covered by this Coverage Part and also loss that is not covered by this Coverage Part, because such "claim" includes both covered and uncovered matters, then coverage shall apply as follows:

1. with respect to a covered "claim" for which we have the duty to defend:
  - a. 100% of the "insured's" "claim expenses" shall be allocated to covered "loss"; and
  - b. All other "loss" shall be allocated between covered "loss" and non-covered loss based upon the relative legal exposure of all parties to such matters.
2. with respect to a covered "claim" for which we do not have the duty to defend, all "loss" shall be allocated between covered "loss" and non-covered loss based upon the relative legal exposure of all parties to such matters.

**SECTION IX - CONDITIONS****A. Coverage Part Priority; Headings**

If any provision in this Coverage Part is inconsistent or in conflict with the terms and conditions of any provisions in this Policy, the terms and conditions of this Coverage Part shall control only for purposes of determining coverage hereunder. The headings of the various sections of this Coverage Part are intended for reference only and shall not be part of the terms and conditions of coverage.

**B. Notice Addresses**

1. All notices to the "insureds" shall be sent to the first "named insured" at the address specified in the Declarations.
2. All notices to us shall be sent to the address specified in the Declarations. Any such notice shall be effective upon receipt by us at such address.

**C. Spousal/Domestic Partner Liability Coverage**

Coverage shall apply to the lawful spouse or "domestic partner" of an "insured person" for a "claim" made against such spouse or "domestic partner", provided that:

1. such "claim" arises solely out of:
  - a. such person's status as the spouse or "domestic partner" of an "insured person"; or
  - b. such spouse or "domestic partner's" ownership of property sought as recovery for a "wrongful act";
2. the "insured person" is named in such "claim" together with the spouse or "domestic partner"; and
3. coverage of the spouse or "domestic partner" shall be on the same terms and conditions, including any applicable

**EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**

Deductible, that applies to coverage of the "insured person" for such "claim".

No coverage shall apply to any "claim" for a "wrongful act" of such spouse or "domestic partner".

**D. Estates and Legal Representatives**

In the event of the death, incapacity or bankruptcy of an "insured person", any "claim" made against the estate, heirs, legal representatives or assigns of such "insured person" for a "wrongful act" of such "insured person" shall be deemed to be a "claim" made against such "insured person". No coverage shall apply to any "claim" for a "wrongful act" of such estate, heirs, legal representatives or assigns.

**E. Minimum Standards**

In the event that there is an inconsistency between:

1. the terms and conditions that are required to meet minimum standards of a state's law (pursuant to a state amendatory endorsement attached to this Coverage Part), and
2. any other term or condition of this Coverage Part,

it is understood and agreed that, where permitted by law, we shall apply those terms and conditions of 1. or 2. above that are more favorable to the "insured".

**F. Other Insurance**

1. The coverage provided under this Coverage Part for any "employment practices claim" shall be primary.
2. Notwithstanding the above, the coverage provided under this Coverage Part for any "employment practices claim" made against a temporary, leased or loaned "employee" or an "independent contractor" shall be excess of the amount of any deductible, retention and limits of liability under any other policy or policies applicable to such "claim", whether such other policy or policies are stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically excess of this Policy by reference in such other policy or policies to this Policy's Policy Number.

**G. Interrelationship of Claims**

All "claims" based upon, arising from or in any way related to the same "wrongful act" or "interrelated wrongful acts" shall be deemed to be a single "claim" for all purposes under this Coverage Part first made on the earliest date that:

1. any of such "claims" was first made, regardless of whether such date is before or during the "policy period";
2. notice of any "wrongful act" described above was given to us under this Coverage Part pursuant to Sections IV or VIII; or
3. notice of any "wrongful act" described above was given under any prior insurance policy.

**H. Deductible Waiver**

Regarding a "claim" that is a class action civil proceeding, no Deductible shall apply to "claim expenses" incurred in connection with such "claim", and we shall reimburse the "insureds" for any covered "claim expenses" paid by the "insureds" within the Deductible otherwise applicable to such "claim", if a:

1. final adjudication with prejudice pursuant to a trial, motion to dismiss or motion for summary judgment; or
2. complete and final settlement with prejudice;

establishes that none of the "insureds" in such "claim" are liable for any "loss".

**I. Application**

1. The "insureds" represent that the Declarations and statements contained in the "application" are true, accurate and complete. This Coverage Part is issued in reliance upon the "application".
2. If the "application" contains intentional misrepresentations or misrepresentations that materially affect the acceptance of the risk by us no coverage shall be afforded under this Coverage Part for any "insureds" who knew on the Effective Date of this Coverage Part of the facts that were so misrepresented, provided that:
  - a. knowledge possessed by any "insured person" shall not be imputed to any other "insured person"; and
  - b. knowledge possessed by any of your chief executive officer, general counsel, chief financial officer, human resources director or any position equivalent to the foregoing of the "named insured", or anyone signing the "application", shall be imputed to all "insured entities". No other person's knowledge shall be imputed to an "insured entity".

**EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM****J. Changes in Exposure****1. Acquisitions or Created Subsidiaries**

If, before or during the "policy period", any "insured entity" acquires or creates a "subsidiary", then such acquired or created entity and its subsidiaries, and any natural persons that would qualify as "insured persons" thereof, shall be "insureds" to the extent such entities and persons would otherwise qualify as "insureds" under this Coverage Part,, but only for "wrongful acts" occurring after such acquisition or creation. No coverage shall be available for any "wrongful act" of such "insureds" occurring before such acquisition or creation, or for any "interrelated wrongful acts" thereto.

However, if the fair value of the assets of any such acquired or created entity exceed 25% of the total assets of the "named insured" as reflected in its most recent consolidated financial statements prior to such acquisition or creation, then, as a condition precedent to coverage hereunder, the "insureds" shall give us written notice and full, written details of the acquisition or creation as soon as practicable (but, in all cases, within ninety (90) days of such acquisition or creation). There shall be no coverage under any renewal or replacement of this Coverage Part for any such new "subsidiary" and its subsidiaries, and any natural persons that would qualify as "insured persons" thereof, unless the "insureds" comply with the terms of this provision.

**2. Mergers**

If, before or during the "policy period", any "insured entity" merges with another entity such that the "insured entity" is the surviving entity, then such merged entity and its subsidiaries, and any natural persons that would qualify as "insured persons" thereof, shall be "insureds" to the extent such entities and persons would otherwise qualify as "insureds" under this Coverage Part, but only for "wrongful acts" occurring after such merger. No coverage shall be available for any "wrongful act" of such "insureds" occurring before such merger or for any "interrelated wrongful acts" thereto.

However, if the fair value of the assets of any newly merged entity exceed 25% of the total assets of the "named insured" as reflected in its most recent consolidated financial statements prior to such merger,

then, as a condition precedent to coverage hereunder, the "insureds" shall give us written notice and full, written details of the merger as soon as practicable (but, in all cases, within ninety (90) days of such merger). There shall be no coverage under any renewal or replacement of this Coverage Part for any newly merged entity or any of its subsidiaries, and any natural persons that would qualify as "insured persons" thereof, unless the "insureds" comply with the terms of this provision.

**3. Takeover of Named Insured**

If, before or during the "policy period":

- a. the "named insured" merges into or consolidates with another entity such that the "named insured" is not the surviving entity; or
- b. more than 50% of the securities representing the right to vote for the "named insured's" board of directors or managers is acquired by another person or entity, group of persons or entities, or persons and entities acting in concert,

then coverage shall continue under this Coverage Part, but only for "wrongful acts" occurring before any such transaction. No coverage shall be available for any "wrongful act" occurring after such transaction. Upon such transaction, this Coverage Part shall not be cancelled and the entire premium for this Coverage Part shall be deemed fully earned. The "insured" shall give us written notice and full, written details of such transaction as soon as practicable (but, in all cases, within ninety (90) days of such transaction). If any transaction described herein occurs, then we will not be obligated to offer any renewal or replacement of this Coverage Part.

**4. Loss of Subsidiary Status**

If, before or during the "policy period", any entity ceases to be a "subsidiary", then coverage shall be available under this Coverage Part for such "subsidiary" and its "insured persons", but only for a "wrongful act" of such "insureds" occurring before such transaction. No coverage shall be available for any "wrongful act" of such "insureds" occurring after such transaction.

**K. References To Laws**

1. Wherever this Coverage Part mentions any law, including, without limitation, any statute, Act or Code of the United States,

## EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM

such mention shall be deemed to include all amendments of, and all rules or regulations promulgated under, such law.

2. Wherever this Coverage Part mentions any law or laws, including, without limitation, any statute, Act or Code of the United States, and such mention is followed by the phrase "or any similar law", such phrase shall be deemed to include all similar laws of all jurisdictions throughout the world, including, without limitation, statutes and any rules or regulations promulgated under such statutes as well as common law.

### L. Action Against Us

1. No action shall be taken against us unless there shall have been full compliance with all the terms and conditions of this Coverage Part.
2. No person or organization shall have any right under this Coverage Part to join us as a party to any "claim" against the "insureds" nor shall we be impleaded by the "insureds" in any such "claim".

### M. Entire Agreement

This Coverage Part, the "application" and any written endorsements attached hereto, along with the Declarations constitute the entire agreement between you and us relating to this Coverage Part's insurance.

### N. Bankruptcy or Insolvency

Bankruptcy or insolvency of any "insureds" shall not relieve us of any of our obligations under this Coverage Part.

### O. Authorization of First Named Insured

The first "named insured" shall act on behalf of all "Insureds" with respect to all matters under this Coverage Part, including, without limitation, giving and receiving of notices regarding "claims", cancellation, election of the Extended Reporting Period, payment of premiums, receipt of any return premiums, and acceptance of any endorsements to this Coverage Part.

### P. When We Do Not Renew

1. If we decide not to renew this Coverage Part, we will mail or deliver to the first "named insured" shown in the Declarations written notice of the nonrenewal not less than thirty (30) days before the expiration date.
2. If notice is mailed, proof of mailing will be sufficient proof of notice.
3. Any state amendatory endorsement changing Nonrenewal Conditions for any part of this policy shall also apply to this Coverage Part.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

## **THIRD PARTY LIABILITY ENDORSEMENT - EMPLOYMENT PRACTICES LIABILITY**

This endorsement modifies insurance provided under the following:

### **EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**

- I. **SECTION I - INSURING AGREEMENT** of this Coverage Part is amended to include the following:

#### **Third Party Liability**

We shall pay "loss" on behalf of the "insureds" resulting from a "third party claim" first made against the "insureds" during the "policy period" or the Extended Reporting Period, if applicable, for a "third party wrongful act" by the "insureds."

- II. **SECTION II - DEFINITIONS** of this Coverage Part is amended in the following manner:

- A. The definition of "claim" is amended to include the following:

"Claim" also means any "third party claim."

- B. The definition of "wrongful act" is amended to include the following:

"Wrongful act" also means any actual or alleged "third party wrongful act".

- C. The following definitions are added:

"Third party" means any natural person who is a customer, vendor, service provider or other business invitee of an "insured entity". "Third party" shall not include "employees".

"Third party claim" means any:

1. written demand for monetary damages or other civil non-monetary relief commenced by the receipt of such demand;
2. civil proceeding, including an arbitration or other alternative dispute resolution proceeding, commenced by the service of a complaint, filing of a demand for arbitration, or similar pleading; or

3. formal administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document;

by or on behalf of a "third party".

"Third party claim" also means a written request to the "insureds" to toll or waive a statute of limitations regarding a potential "third party claim" as described above. Such "claim" shall be commenced by the receipt of such request.

"Third party wrongful act" means:

1. discrimination against a "third party" based upon age, gender, race, color, national origin, religion, creed, marital status, sexual orientation or preference, pregnancy, disability, HIV or other health status, Vietnam Era Veteran or other military status, or other protected status established under federal, state or local law; or
2. sexual harassment or other harassment of a "third party", including unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature.

- III. The following exclusion is added to **SECTION III - EXCLUSIONS**:

We shall not pay "loss" in connection with any "third party claim" based upon, arising from or in any way related to any price discrimination or violation of any anti-trust law or any similar law designed to protect competition or prevent unfair trade practices.

All other terms and conditions of this Coverage Part remain unchanged.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

## **RETROACTIVE DATE ENDORSEMENT - EMPLOYMENT PRACTICES LIABILITY**

This endorsement modifies insurance provided under the following:

### **EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**

- I. SECTION I - INSURING AGREEMENT** of this Coverage Part is amended to include the following:

This Coverage Part applies only to "claims" for "wrongful acts" that occurred on or after the "retroactive date" set forth in the Declarations and before the end of the "policy period", regardless of whether such "claim" is made during the "policy period" or the Extended Reporting Period, if applicable.

- II. The following definition is added to SECTION II - DEFINITIONS** of this Coverage Part:

"Retroactive date" means the date specified in the Declarations. If no date is specified, the "retroactive date" will be the same as the Effective Date of this Coverage Part.

All other terms and conditions of this Coverage Part remain unchanged.



## **U.S. DEPARTMENT OF THE TREASURY, OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS**

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by the United States. **Please read this Notice carefully.**

The Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States. OFAC acts under Presidential national emergency powers, as well as authority granted by specific legislation, to impose controls on transactions and freeze assets under U.S. jurisdiction. OFAC publishes a list of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists individuals, groups, and entities, such as terrorists and narcotics traffickers designated under programs that are not country-specific. Collectively, such individuals and companies are called "Specially Designated Nationals and Blocked Persons" or "SDNs". Their assets are blocked and U.S. persons are generally prohibited from dealing with them. This list can be located on OFAC's web site at – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is an SDN, as identified by OFAC, the policy is a blocked contract and all dealings with it must involve OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC.





**Named Insured:** DARTCOM LLC

**Policy Number:** 08 SBA IX2219

**Effective Date:** 04/01/20

**Expiration Date:** 04/01/21

**Company Name:** TWIN CITY FIRE INSURANCE COMPANY

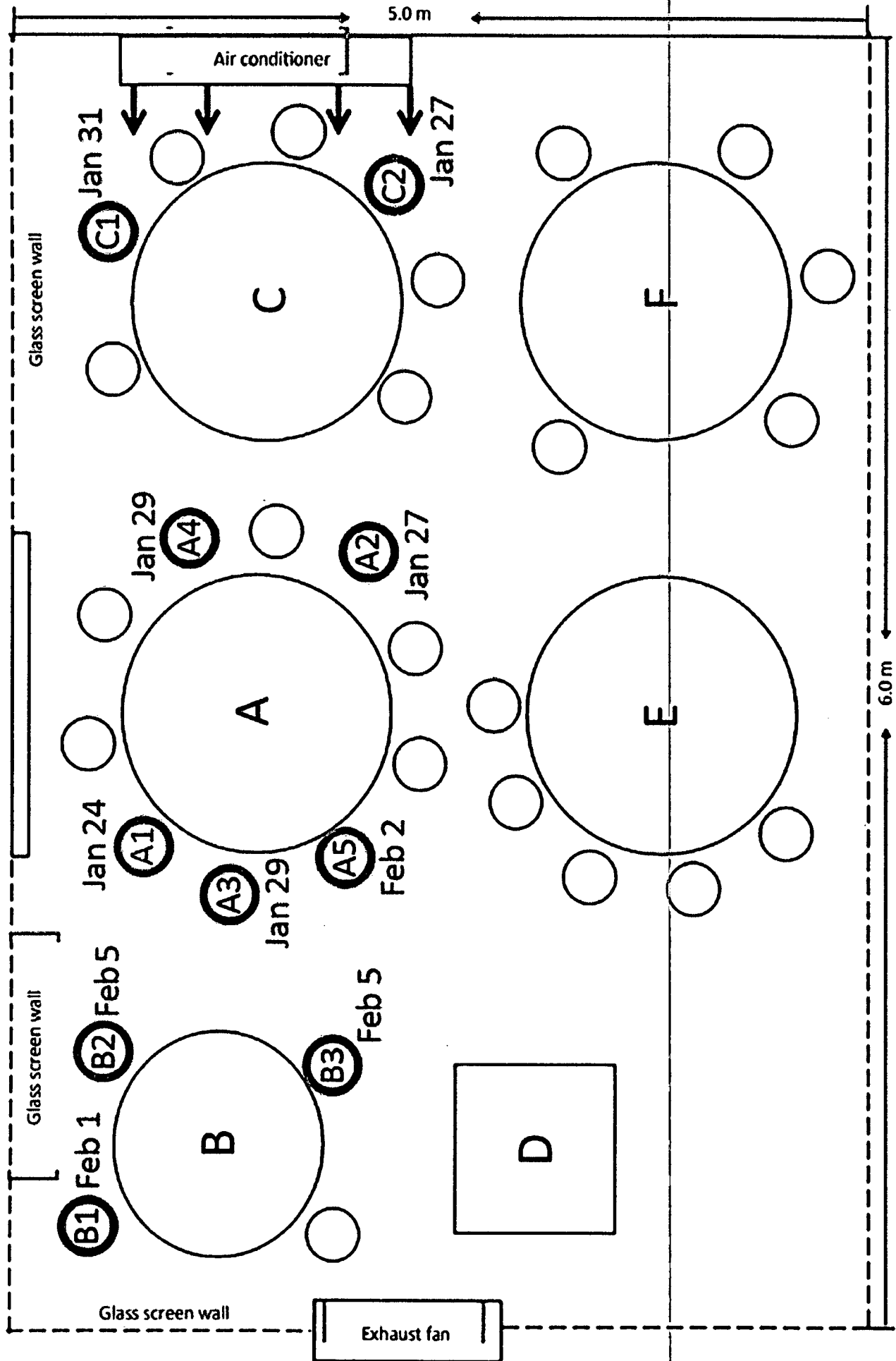
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **TRADE OR ECONOMIC SANCTIONS ENDORSEMENT**

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

All other terms and conditions remain unchanged.

C



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THE HARTFORD  
CAT CLAIM OFFICE  
P.O. BOX 14271  
LEXINGTON KY 40512

April 23, 2020

DARTCOM LLC DBA BUTTERMILK & BOURBON  
160 COMMONWEALTH AVE  
BOSTON MA 02116

Re: Insured: DARTCOM LLC DBA BUTTERMILK & BOURBON  
Claimant: DARTCOM LLC DBA BUTTERMILK & BOURBON  
Date of Loss: March 16, 2020  
Event Number: CP0018709730  
Claim Number: Y93 F 57676

Dear DARTCOM LLC DBA BUTTERMILK & BOURBON:

We have completed a review of your loss and have determined that since the coronavirus did not cause property damage at your place of business or in the immediate area, this loss is not covered.

As we understand the facts, you are suffering from a loss of business income because you, or a business you depend on, have had to close or limit your business to help prevent the spread of COVID-19, the disease caused by the novel coronavirus.

For more details on how we came to this decision, please see the information on the following pages. It lists the relevant portions of your insurance policy and explains how they apply to your situation.

If you believe there are additional facts Hartford should consider, please let us know, and we will reopen your claim.

We know this virus has led to unprecedented circumstances and care very much about the wellbeing of all our customers. For more on possible government support for small business at this time, you might like to visit <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>.

If you have any questions, please feel free to contact me at the telephone number listed below.

The foregoing should not be construed as a waiver of any of Hartford's, rights and defenses under your policy number, and Hartford, specifically reserves its right to modify or supplement this review of coverage based upon any additional information which it may obtain and/or any other grounds which may appear.

Sincerely,

*Diana Valenzuela*

Diana Valenzuela  
Inside Claim Rep  
Direct Number: (331) 300 - 6236  
Toll Free Number: (800) 843 - 7006 Ext. 2303370  
Fax: (866) 804 - 3764  
ccoclaims@thehartford.com

Writing Company Name: Twin City Fire Insurance Company

CC: CASSIDY ASSOC INS AGENCY INC/PHS via U.S.Mail

CC: Agent

**COVERAGE DECISION DETAILS**

We are basing this determination on the following policy language found within the Special Property Coverage Form (SS 00 07 07 05), made part of your policy, which states, in part, as follows:

**A. COVERAGE**

We will pay for direct physical loss of or physical damage to Covered Property at the premises described in the Declarations (also called "scheduled premises"<sup>1</sup>) in this policy) caused by or resulting from a Covered Cause of Loss.

\*\*\*

**3. Covered Causes of Loss**

RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

- a. Excluded in Section B., **EXCLUSIONS**; or
- b. Limited in Paragraph A.4. Limitations; that follow.

This property policy protects your business personal property and/or building against risks of direct physical loss or damage at your Scheduled Premises. You have not identified any physical loss to any property at a scheduled premises.

The Additional Coverages section of the Special Property Coverage Form (SS 00 07 07 05) also provides as follows:

**5. Additional Coverages**

\*\*\*

**o. Business Income**

- (1) We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". *The suspension must be caused by direct physical loss of or physical damage to property at the "scheduled premises"* [emphasis added], including personal property in the open (or in a vehicle) within 1,000 feet of the "scheduled premises", caused by or resulting from a Covered Cause of Loss.
  - (2) With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the "scheduled premises" are located, your "scheduled premises" also means:
    - (a) The portion of the building which you rent, lease or occupy; and
    - (b) Any area within the building or on the site at which the "scheduled premises" are located, but only if that area services, or is used to gain access to, the "scheduled premises".
  - (3) We will only pay for loss of Business Income that occurs within 12 consecutive months after the date of direct physical loss or physical damage.
    - This Additional Coverage is not subject to the Limits of Insurance.
- \*\*\*
- (5) With respect to the coverage provided in this Additional Coverage, suspension means:
    - (a) The partial slowdown or complete cessation of your business activities; or
    - (b) That part or all of the "scheduled premises" is rendered untenable as a result of a Covered Cause of Loss if coverage for Business Income applies to the policy.

The Business Income coverage is not provided for your loss because there has been no physical loss or damage caused by or resulting from a Covered Cause of Loss to property at a scheduled premises.

The Additional Coverages section of the Special Property Coverage Form (SS 00 07 07 05) also provides as follows:

**q. Civil Authority**

- (1) This insurance is extended to apply to the actual loss of Business Income you sustain when access to your "scheduled premises" is specifically prohibited by order of a civil authority *as the direct result of a Covered Cause of Loss to property in the immediate area of your "scheduled premises"* [emphasis added].
- (2) The coverage for Business Income will begin 72 hours after the order of a civil authority and coverage will end at the earlier of:
  - (a) When access is permitted to your "scheduled premises"; or
  - (b) 30 consecutive days after the order of the civil authority.

<sup>1</sup>"Scheduled Premises" means any premises listed by location address in the Scheduled Premises section of the Declarations.

We have no information to indicate that a civil authority issued an order as a direct result of a covered cause of loss to property in the immediate area of your scheduled premises; accordingly, this additional coverage is not available for your claimed loss of business income. If you believe there is an order of a civil authority as the result of a Covered Cause of Loss to property in your immediate area, please immediately send to my attention for review.

The Additional Coverages section of the Special Property Coverage Form (SS 00 07 07 05) also provides as follows:

**s. Business Income from Dependent Properties**

- (1) We will pay for the actual loss of Business Income you sustain due to direct physical loss or physical damage at the premises of a dependent property caused by or resulting from a Covered Cause of Loss. The most we will pay under this Additional Coverage is \$5,000 in any one occurrence unless a higher Limit of Insurance is indicated in the Declarations.  
\*\*\*
- (4) Dependent Property means property owned, leased or operated by others whom you depend on to:
- (a) Deliver materials or services to you or to others for your account. But services do not include:
    - (i) Water, communication, power services or any other utility services; or
    - (ii) Any type of web site, or Internet service.
  - (b) Accept your products or services;
  - (c) Manufacture your products for delivery to your customers under contract for sale; or
  - (d) Attract customers to your business premises.
- The dependent property must be located in the coverage territory<sup>2</sup> of this policy.
- (5) The coverage period for Business Income under this Additional Coverage:
- (a) Begins 72 hours after the time of direct physical loss or physical damage caused by or resulting from a Covered Cause of Loss at the premises of the dependent property; and
  - (b) Ends on the date when the property at the premises of the dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- (6) The Business Income coverage period, as stated in Paragraph (5), does not include any increased period required due to the enforcement of any ordinance or law that:
- (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
  - (b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants."
- (7) The definition of Business Income contained in the Business Income Additional Coverage also applies to this Business Income from Dependent Properties Additional Coverage.

To the extent you are making a claim for loss of business income from a dependent property, no direct physical loss or damage caused by or resulting from a Covered Cause of Loss has occurred at a Dependent Property. Accordingly, there is no coverage for your claim under this coverage part.

We note that your policy also contains the following potentially applicable exclusion:

**B. EXCLUSIONS**

\*\*\*

2. We will not pay for physical loss or physical damage caused by or resulting from<sup>3</sup>:

\*\*\*

i. **Pollution:** We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants and contaminants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss." But if physical loss or physical damage by the "specified causes of loss" results, we will pay for the resulting physical loss or physical damage caused by the "specified cause of loss."

<sup>2</sup>Coverage for Business Income from Dependent Property would be further denied if it were determined that the dependent property is outside of the coverage territory, which is the United States (including its territories and possessions), Puerto Rico, and Canada.

<sup>3</sup>Your policy may be amended to read "We will not pay for loss or damage caused by or resulting from..."



The policy also contains the following definitions:

**G. PROPERTY DEFINITIONS**

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15. "Pollutants and Contaminants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, or any other material which causes or threatens to cause physical loss, physical damage, impurity to property, unwholesomeness, undesirability, loss of marketability, loss of use of property, or which threatens human health or welfare. Waste includes materials to be recycled, reconditioned or reclaimed.

\*\*\*

19. "Specified Cause of Loss" means the following:

Fire; lightning; explosion, windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

\*\*\*

c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam

The coronavirus is understood to be an irritant or contaminant which causes or threatens to cause physical impurity, unwholesomeness and threatens human health or welfare. Further, the virus was not caused by a "Specified Cause of Loss". Accordingly, even if coverage were otherwise available for loss caused by coronavirus, the pollution exclusion could further bar coverage for the loss.

We note that your policy also contains the following potentially applicable exclusion:

**B. EXCLUSIONS**

\*\*\*

2. We will not pay for physical loss or physical damage caused by or resulting from<sup>(4)</sup>:

a. **Consequential Losses;** Delay, loss of use or loss of market.

To the extent you are claiming physical loss or physical damage caused by loss of use or loss of market, coverage would be precluded based on the exclusion above.

Section B. Exclusions also provides as follows:

3. We will not pay for loss or damage caused by or resulting from any of the following. But if physical loss or physical damage by a Covered Cause of Loss results, we will pay for that resulting physical loss or damage.

\*\*\*

b. **Acts or Decisions:** Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

Based on the exclusion cited above, we will not pay for loss or damage caused by or resulting from the decision of a person, group, organization or governmental body.

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<sup>4</sup>Your policy may be amended to read "We will not pay for loss or damage caused by or resulting from..."

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# Circular

FORMS - FILED

JULY 6, 2006

FROM: LARRY PODOSHEN, SENIOR ANALYST

COMMERCIAL PROPERTY

LI-CF-2006-175

## NEW ENDORSEMENTS FILED TO ADDRESS EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This circular announces the submission of forms filings to address exclusion of loss due to disease-causing agents such as viruses and bacteria.

### BACKGROUND

Commercial Property policies currently contain a pollution exclusion that encompasses contamination (in fact, uses the term *contaminant* in addition to other terminology). Although the pollution exclusion addresses contamination broadly, viral and bacterial contamination are specific types that appear to warrant particular attention at this point in time.

### ISO ACTION

We have submitted forms filing CF-2006-OVBEF in all ISO jurisdictions and recommended the filing to the independent bureaus in other jurisdictions. This filing introduces new endorsement CP 01 40 07 06 - Exclusion Of Loss Due To Virus Or Bacteria, which states that there is **no coverage for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.**

**Note:** In Alaska, District of Columbia, Louisiana\*, New York and Puerto Rico, we have submitted a different version of this filing, containing new endorsement CP 01 75 07 06 in place of CP 01 40. The difference relates to lack of implementation of the mold exclusion that was implemented in other jurisdictions under a previous multistate filing.

Both versions of CF-2006-OVBEF are attached to this circular.

\* In Louisiana, the filing was submitted as a recommendation to the Property Insurance Association of Louisiana (PIAL), the independent bureau with jurisdiction for submission of property filings.

### PROPOSED EFFECTIVE DATE

Filing CF-2006-OVBEF was submitted with a proposed effective date of January 1, 2007, in accordance with the applicable effective date rule of application in each state, with the exception of various states for which the insurer establishes its own effective date.

Upon approval, we will announce the actual effective date and state-specific rule of effective date application for each state.

LI-CF-2006-175

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**RATING SOFTWARE IMPACT**

New attributes being introduced with this revision:

- A new form is being introduced.

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**CAUTION**

This filing has not yet been approved. If you print your own forms, do not go beyond the proof stage until we announce approval in a subsequent circular.

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**RELATED RULES REVISION**

We are announcing in a separate circular the filing of a corresponding rules revision. Please refer to the **Reference(s)** block for identification of that circular.

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**REFERENCE(S)**

LI-CF-2006-176 (7/6/06) - New Additional Rule Filed To Address Exclusion Of Loss Due To Virus Or Bacteria

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**ATTACHMENT(S)**

- Multistate Forms Filing CF-2006-OVBEF
- State-specific version of Forms Filing CF-2006-OVBEF (Alaska, District of Columbia, Louisiana, New York, Puerto Rico)

We are sending these attachments only to recipients who asked to be put on the mailing list for attachments. If you need the attachments for this circular, contact your company's circular coordinator.

---

**PERSON(S) TO CONTACT**

If you have any questions concerning:

- the content of this circular, please contact:

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[comfal@iso.com](mailto:comfal@iso.com)  
[lpodoshen@iso.com](mailto:lpodoshen@iso.com)

or

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COMMERCIAL FIRE AND ALLIED LINES  
FORMS FILING CF-2006-OVBEF

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# **Amendatory Endorsement - Exclusion Of Loss Due To Virus Or Bacteria**

## **About This Filing**

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This filing addresses exclusion of loss due to disease-causing agents such as viruses and bacteria.

### **New Form**

We are introducing:

- ◆ Endorsement CP 01 40 07 06 - Exclusion Of Loss Due To Virus Or Bacteria

## **Related Filing(s)**

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Rules Filing CF-2006- OVBEB

## **Introduction**

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The current pollution exclusion in property policies encompasses contamination (in fact, uses the term *contaminant* in addition to other terminology). Although the pollution exclusion addresses contamination broadly, viral and bacterial contamination are specific types that appear to warrant particular attention at this point in time.

An example of bacterial contamination of a product is the growth of listeria bacteria in milk. In this example, bacteria develop and multiply due in part to inherent qualities in the property itself. Some other examples of viral and bacterial contaminants are rotavirus, SARS, influenza (such as avian flu), legionella and anthrax. The universe of disease-causing organisms is always in evolution.

Disease-causing agents may render a product impure (change its quality or substance), or enable the spread of disease by their presence on interior building surfaces or the surfaces of personal property. When disease-causing viral or bacterial contamination occurs, potential claims involve the cost of replacement of property (for example, the milk), cost of decontamination (for example, interior building surfaces), and business interruption (time element) losses.

## Current Concerns

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Although building and personal property could arguably become contaminated (often temporarily) by such viruses and bacteria, the nature of the property itself would have a bearing on whether there is actual property damage. An allegation of property damage may be a point of disagreement in a particular case. In addition, pollution exclusions are at times narrowly applied by certain courts. In recent years, ISO has filed exclusions to address specific exposures relating to contaminating or harmful substances. Examples are the mold exclusion in property and liability policies and the liability exclusion addressing silica dust. Such exclusions enable elaboration of the specific exposure and thereby can reduce the likelihood of claim disputes and litigation.

While property policies have not been a source of recovery for losses involving contamination by disease-causing agents, the specter of pandemic or hitherto unorthodox transmission of infectious material raises the concern that insurers employing such policies may face claims in which there are efforts to expand coverage and to create sources of recovery for such losses, contrary to policy intent.

In light of these concerns, we are presenting an exclusion relating to contamination by disease-causing viruses or bacteria or other disease-causing microorganisms.

## Features Of New Amendatory Endorsement

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The amendatory endorsement presented in this filing states that there is **no coverage for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.** The exclusion (which is set forth in Paragraph B of the endorsement) applies to property damage, time element and all other coverages; introductory Paragraph A prominently makes that point. Paragraphs C and D serve to avoid overlap with other exclusions, and Paragraph E emphasizes that other policy exclusions may still apply.

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COMMERCIAL PROPERTY  
CP 01 40 07 06

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY**

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.
- However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supercedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
  2. Additional Coverage - Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

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ALASKA, DISTRICT OF COLUMBIA, LOUISIANA, NEW YORK, PUERTO RICO  
COMMERCIAL FIRE AND ALLIED LINES  
FORMS FILING CF-2006-OVBEF

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# **Amendatory Endorsement - Exclusion Of Loss Due To Virus Or Bacteria**

## **About This Filing**

---

This filing addresses exclusion of loss due to disease-causing agents such as viruses and bacteria.

### **New Form**

We are introducing:

- ◆ Endorsement **CP 01 75 07 06** - Exclusion Of Loss Due To Virus Or Bacteria

## **Related Filing(s)**

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Rules Filing CF-2006-OVBER

## **Introduction**

---

The current pollution exclusion in property policies encompasses contamination (in fact, uses the term *contaminant* in addition to other terminology). Although the pollution exclusion addresses contamination broadly, viral and bacterial contamination are specific types that appear to warrant particular attention at this point in time.

An example of bacterial contamination of a product is the growth of listeria bacteria in milk. In this example, bacteria develop and multiply due in part to inherent qualities in the property itself. Some other examples of viral and bacterial contaminants are rotavirus, SARS, influenza (such as avian flu), legionella and anthrax. The universe of disease-causing organisms is always in evolution.

Disease-causing agents may render a product impure (change its quality or substance), or enable the spread of disease by their presence on interior building surfaces or the surfaces of personal property. When disease-causing viral or bacterial contamination occurs, potential claims involve the cost of replacement

of property (for example, the milk), cost of decontamination (for example, interior building surfaces), and business interruption (time element) losses.

## Current Concerns

---

Although building and personal property could arguably become contaminated (often temporarily) by such viruses and bacteria, the nature of the property itself would have a bearing on whether there is actual property damage. An allegation of property damage may be a point of disagreement in a particular case. In addition, pollution exclusions are at times narrowly applied by certain courts. In recent years, ISO has filed exclusions to address specific exposures relating to contaminating or harmful substances. Examples are the mold exclusion in property and liability policies and the liability exclusion addressing silica dust. Such exclusions enable elaboration of the specific exposure and thereby can reduce the likelihood of claim disputes and litigation.

While property policies have not been a source of recovery for losses involving contamination by disease-causing agents, the specter of pandemic or hitherto unorthodox transmission of infectious material raises the concern that insurers employing such policies may face claims in which there are efforts to expand coverage and to create sources of recovery for such losses, contrary to policy intent.

In light of these concerns, we are presenting an exclusion relating to contamination by disease-causing viruses or bacteria or other disease-causing microorganisms.

## Features Of New Amendatory Endorsement

---

The amendatory endorsement presented in this filing states that there is **no coverage for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.** The exclusion (which is set forth in Paragraph B of the endorsement) applies to property damage, time element and all other coverages; introductory Paragraph A prominently makes that point. Paragraph C serves to avoid overlap with another exclusion, and Paragraph D emphasizes that other policy exclusions may still apply.

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COMMERCIAL PROPERTY  
CP 01 75 07 06

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY**

- A. The exclusion set forth in Paragraph B. applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B. We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.
- However, this exclusion does not apply to loss or damage caused by or resulting from fungus. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C. With respect to any loss or damage subject to the exclusion in Paragraph B., such exclusion supercedes any exclusion relating to "pollutants".
- D. The terms of the exclusion in Paragraph B., or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

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<b>CIVIL TRACKING ORDER</b> (STANDING ORDER 1- 88)	DOCKET NUMBER <b>2084CV01744</b> <i>B</i>	<b>Trial Court of Massachusetts</b> <b>The Superior Court</b>																																				
CASE NAME: Dartcom, LLC doing business as Buttermilk & Bourbon vs. Hartford Financial Services Group Inc et al		Michael Joseph Donovan, Clerk of Court																																				
TO:		COURT NAME & ADDRESS Suffolk County Superior Court - Civil Suffolk County Courthouse, 12th Floor Three Pemberton Square Boston, MA 02108																																				
<b>TRACKING ORDER - A - Average</b>  You are hereby notified that this case is on the track referenced above as per Superior Court Standing Order 1-88. The order requires that the various stages of litigation described below must be completed not later than the deadlines indicated.																																						
<table style="width: 100%; border: none;"> <tr> <td style="width: 60%;"><b><u>STAGES OF LITIGATION</u></b></td> <td style="width: 40%;"><b><u>DEADLINE</u></b></td> </tr> </table>			<b><u>STAGES OF LITIGATION</u></b>	<b><u>DEADLINE</u></b>																																		
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<p>The final pre-trial deadline is <u>not the scheduled date of the conference</u>. You will be notified of that date at a later time.</p> <p>Counsel for plaintiff must serve this tracking order on defendant before the deadline for filing return of service.</p> <p>This case is assigned to</p>																																						
DATE ISSUED  <b>08/06/2020</b>	ASSISTANT CLERK  <b>Christine M Hayes</b>	PHONE  <b>(617)788-8141</b>																																				

<b>CIVIL ACTION COVER SHEET</b>	DOCKET NUMBER	<b>Trial Court of Massachusetts</b> <b>The Superior Court</b>
<b>PLAINTIFF(S):</b> <u>DARTCOM, LLC d/b/a Buttermilk &amp; Bourbon</u> <b>ADDRESS:</b> <u>100 Warrenton Street, Boston, MA 02116</u>		<b>COUNTY</b> <u>Suffolk</u>
<b>DEFENDANT(S):</b> <u>The Hartford Financial Services Group, Inc. and</u> <u>Twin City Fire Insurance Company</u>		
<b>ATTORNEY:</b> <u>Benjamin R. Zimmermann, Esq. / David P. McCormack, Esq.</u> <b>ADDRESS:</b> <u>Sugarman and Sugarman, P.C., Prudential Tower, 800 Boylston Street,</u> <u>30th Floor, Boston, MA 02199</u>		<b>ADDRESS:</b> <u>One Hartford Plaza, Hartford, CT 06155 and</u> <u>One Hartford Plaza, Hartford, CT 06155</u>
<b>BBO:</b> <u>643920 / 659006</u>		
<b>TYPE OF ACTION AND TRACK DESIGNATION (see reverse side)</b>		
<b>CODE NO.</b> <u>D13</u>	<b>TYPE OF ACTION (specify)</b> <u>Declaratory Judgment</u>	<b>TRACK</b> <u>A</u>
		<b>HAS A JURY CLAIM BEEN MADE?</b> <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
<b>"If "Other" please describe:</b>		
<div style="display: flex; justify-content: space-between;"> <div> <b>Is there a claim under G.L. c. 93A?</b>  <input checked="" type="checkbox"/> YES    <input type="checkbox"/> NO         </div> <div> <b>Is this a class action under Mass. R. Civ. P. 23?</b>  <input type="checkbox"/> YES    <input checked="" type="checkbox"/> NO         </div> </div>		
<b>STATEMENT OF DAMAGES PURSUANT TO G.L. c. 212, § 3A</b>		
The following is a full, itemized and detailed statement of the facts on which the undersigned plaintiff or plaintiff's counsel relies to determine money damages. For this form, disregard double or treble damage claims; indicate single damages only.		
<b>TORT CLAIMS</b> (attach additional sheets as necessary)		
<b>A. Documented medical expenses to date:</b>		
1. Total hospital expenses .....		\$ .....
2. Total doctor expenses .....		\$ .....
3. Total chiropractic expenses .....		\$ .....
4. Total physical therapy expenses .....		\$ .....
5. Total other expenses (describe below) .....		\$ .....
<b>Subtotal (A):</b>		\$ .....
B. Documented lost wages and compensation to date .....		\$ .....
C. Documented property damages to date .....		\$ .....
D. Reasonably anticipated future medical and hospital expenses .....		\$ .....
E. Reasonably anticipated lost wages .....		\$ .....
F. Other documented items of damages (describe below) .....		\$ .....
<b>G. Briefly describe plaintiff's injury, including the nature and extent of injury:</b>		
		<b>TOTAL (A-F):</b> \$ .....
<b>CONTRACT CLAIMS</b> (attach additional sheets as necessary)		
<input type="checkbox"/> This action includes a claim involving collection of a debt incurred pursuant to a revolving credit agreement. Mass. R. Civ. P. 8.1(a).		
Provide a detailed description of claim(s): The defendants breached plaintiff's insurance policies by failing to pay their business interruption losses <b>TOTAL: \$ 2,000,000+ and ongoing.</b> and extra expense claims, and this denial of coverage is in violation of Chapter 93A and 176D.		
<b>Signature of Attorney/ Unrepresented Plaintiff: X</b>		<b>Date:</b> <u>8/5/20</u>
<b>RELATED ACTIONS:</b> Please provide the case number, case name, and county of any related actions pending in the Superior Court.		
<b>CERTIFICATION PURSUANT TO SJC RULE 1:18</b>		
I hereby certify that I have complied with requirements of Rule 5 of the Supreme Judicial Court Uniform Rules on Dispute Resolution (SJC Rule 1:18) requiring that I provide my clients with information about court-connected dispute resolution services and discuss with them the advantages and disadvantages of the various methods of dispute resolution.		
<b>Signature of Attorney of Record: X</b>		<b>Date:</b> <u>8/5/20</u>

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS.

SUPERIOR COURT  
DEPARTMENT OF  
THE TRIAL COURT

---

DARTCOM, LLC D/B/A BUTTERMILK  
& BOURBON,

Plaintiff,

v.

THE HARTFORD FINANCIAL  
SERVICES GROUP, INC. AND TWIN  
CITY FIRE INSURANCE COMPANY,

Defendants.

---

2084CV01744B

**REQUEST OF THE PLAINTIFF FOR THE PRODUCTION OF DOCUMENTS AND  
OTHER ITEMS PURSUANT TO MASS. R. CIV. P. 34, BY THE DEFENDANT,  
THE HARTFORD FINANCIAL SERVICES GROUP, INC.**

The plaintiff, pursuant to Mass. R. Civ. P. 34, requests that the defendant, The Hartford Financial Services Group, Inc. ("Hartford"), produce documents or other items for inspection and copying which are hereinafter set forth. Documents or other items are requested to be produced at the offices of the attorneys for the plaintiff, SUGARMAN AND SUGARMAN, P.C., Prudential Tower, 800 Boylston Street, 30<sup>th</sup> Floor, Boston, Massachusetts, on or before thirty (30) days from receipt of service.

The defendant may comply with this request by forwarding a copy of any document or other item requested to counsel for the plaintiff postmarked prior to the date for which production has been designated. You are also requested to make an appropriate designation as to the paragraph pursuant to which each document or other item is produced. If a document or other item is produced pursuant to more than one



paragraph, the designation should so indicate.

***Please note that these Requests include, without limitation, any and all electronically stored information which is responsive to these Requests. Please also note that all Responses must comply with Superior Court Rule 30(A), specifying any and all documents or information withheld, describing the nature of all responsive documents or information in the custody or control of the responding party which have not been produced because of objection, and providing a privilege log where required by Mass. R. Civ. P. 26(b)(5).***

#### Definitions

- A. The **Policy** shall mean the Hartford and Twin City Fire Insurance Company ("Twin City") Policy 08 SBA IX2219, which had effective dates of 4/1/19 – 4/1/20 and which was renewed with effective dates of 4/1/20 – 4/1/20 as referred to in the Complaint and attached thereto.

#### Requests

##### Request No. 1

All insurance or reinsurance agreements under which any person carrying on an insurance business may be liable to satisfy part or all of a judgment which may be entered in the instant litigation or to indemnify or reimburse for payments made to satisfy said judgment. (This Request is to include but is not limited to the amount of each said policy.)

##### Request No. 2

All documents related to the **Policy** and all Hartford and Twin City policies that were issued to the plaintiff at any time. This request is to include all inquiries, forms, applications, premium calculations, underwriting documents, or any other documents relating to such policies.

##### Request No. 3

All communications between Hartford and any other person, firm, or entity, including but not limited to Twin City, at any time relating in any way to the plaintiff, its policies, or its insurance coverage.

Request No. 4

All communications between Hartford and any other person, firm, or entity at any time relating in any way to the renewal of the **Policy** in or around March/April 2020.

Request No. 5

All documents, including internal memos, underwriting guidelines, customs, practices, policies, and procedures relating to the use, or lack thereof, of “virus exclusions” in Hartford policies at any time before or after the onset of Covid-19, and how such exclusions related to premiums.

Request No. 6

All documents of any kind relating to Hartford’s exposure to business interruption, civil authority, extra expense, or any other claims relating to Covid-19, and any communication, analysis, or plan as to how Hartford would analyze, approve, deny, or process such claims. This is to include all documents relating to interpretations of policies in the face of such claims, all financial communications or analyses of the financial impact of such claims on Hartford, and the like.

Request No. 7

All communications between Hartford and any insurance agent or agency representing the plaintiff, including but not limited to Cassidy Associates Insurance Agency, in any way involving the **Policy**.

Request No. 8

All documents relating in any way to the April 23, 2020 denial letter from Diana Valenzuela attached as Exhibit D to the Complaint. This is to include all claim materials reviewed by Ms. Valenzuela in connection with that letter, all communications she had with anyone about the contents of that letter, all customs, policies, procedures, memos, or other documents that informed any part of the language of that denial letter.

Request No. 9

All documents relating to any investigation of the claims referenced in the April 23, 2020 letter prior to that letter being sent, including all materials reviewed by Ms. Valenzuela before writing and sending it.

Request No. 10

All documents relating to any investigation of the claims referenced in the April 23, 2020 letter prior to that letter being sent.

Request No. 11

Documents sufficient to show the number of claims related to Covid-19 reviewed by Ms. Valenzuela, including the date each claim was received and the date each claim was accepted or denied, and the reasons for each acceptance or denial.

Request No. 12

All customs, practices, guidelines, rules, claims manuals, policy manuals, industry manuals, or the like in effect from 2015 to the present, that inform or relate to how Hartford and its claims examiners interpret the phrase “direct physical loss of or physical damage to” when confronted with a business interruption, civil authority, extra expense, or other claim.

Request No. 13

All documents, including correspondence, that relate or refer to any plan by Hartford for dealing with or handling Covid-19 related claims.

Request No. 14

Documents including any communications, memorandum, courses, seminars, meetings, or any other documents in which Hartford claims examiners, agents, brokers, and representatives were instructed on how to analyze Covid-19 related claims and communicate with insureds about those claims.

Request No. 15

All documents reflecting the total number of Covid-19 claims received by Hartford, the number accepted and the number denied, and the reason each claim was accepted or denied.

Request No. 16

Documents relating to any other litigation stemming from Covid-19 or Hartford’s denial of a Covid-19 related claim, including, but not limited to all pleadings and motions Hartford has filed or served in such litigation.

Request No. 17

All documents showing premiums paid by the plaintiff to Hartford year to year since it became Hartford’s insured.

Request No. 18

All documents relating to any business interruption, extra expense, or civil authority coverage claims brought by Massachusetts insureds under Hartford policies from 2000 to the present relating to any of the following issues: virus outbreaks, bacteria

outbreaks, gas leaks, road closures, the Boston Marathon bombings, asbestos, contaminated water, or any other claims that involved loss of access or use to property, or an imminent threat to the utility or habitability of an insured's property.

Request No. 19

All spreadsheets, databases, datasets, or any other similar compilation documents summarizing business interruption, extra expense, and civil authority claims brought by Hartford insureds from 2000 to the present. This request is to include all such documents showing the number of such claims brought, the type of such claims brought, whether the claim was paid or denied, by whom, and the reasons therefor, and any financial or other analysis done by Hartford with respect to such claims.

Request No. 20

All spreadsheets, databases, datasets, or any other similar compilation documents summarizing business interruption, extra expense, and civil authority claims brought by Hartford insureds in connection with Covid-19. This request is to include all such documents showing the number of such claims brought, the type of such claims brought, whether the claim was paid or denied, by whom, and the reasons therefor, and any financial or other analysis done by Hartford with respect to such claims.

Request No. 21

All documents in any way relating to Hartford's decision to not define "direct physical loss of or physical damage to" as used in the **Policy**. This is to include all documents showing why Hartford made the decision to leave these terms undefined.

Request No. 22

To the extent not requested above, the complete claims and customer files for the plaintiff relating to the instant claims or any other prior claims under Hartford policies.

PLAINTIFF,

By Its Attorneys,

SUGARMAN AND SUGARMAN, P.C.

Date: September 24, 2020



Benjamin R. Zimmermann, Esq.- BBO #643920

bzimmermann@sugarman.com

David P. McCormack, Esq.- BBO #659006

dmccormack@sugarman.com

The Prudential Tower

800 Boylston Street, 30th Floor

Boston, MA 02199

(617) 542-1000

Certificate of Service

I hereby certify that a true copy of the above document was served on September 24, 2020, by mailing a copy thereof, postage prepaid, to:

APS #347A – Attn: Keith  
67 Burnside Avenue  
East Hartford, CT 06108

For service upon the following defendants at their usual place of business:

The Hartford Financial Services Group, Inc.  
One Hartford Plaza  
Hartford, CT 06155

Twin City Fire Insurance Company  
One Hartford Plaza  
Hartford, CT 06155



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Benjamin R. Zimmermann

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS.

SUPERIOR COURT  
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DARTCOM, LLC D/B/A BUTTERMILK  
& BOURBON,

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v.

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Defendants.

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2084CV01744B

**REQUEST OF THE PLAINTIFF FOR THE PRODUCTION OF DOCUMENTS AND  
OTHER ITEMS PURSUANT TO MASS. R. CIV. P. 34, BY THE DEFENDANT,  
TWIN CITY FIRE INSURANCE COMPANY**

The plaintiff, pursuant to Mass. R. Civ. P. 34, requests that the defendant, Twin City Fire Insurance Company ("Twin City"), produce documents or other items for inspection and copying which are hereinafter set forth. Documents or other items are requested to be produced at the offices of the attorneys for the plaintiff, SUGARMAN AND SUGARMAN, P.C., Prudential Tower, 800 Boylston Street, 30<sup>th</sup> Floor, Boston, Massachusetts, on or before thirty (30) days from receipt of service.

The defendant may comply with this request by forwarding a copy of any document or other item requested to counsel for the plaintiff postmarked prior to the date for which production has been designated. You are also requested to make an appropriate designation as to the paragraph pursuant to which each document or other item is produced. If a document or other item is produced pursuant to more than one

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***Please note that these Requests include, without limitation, any and all electronically stored information which is responsive to these Requests. Please also note that all Responses must comply with Superior Court Rule 30(A), specifying any and all documents or information withheld, describing the nature of all responsive documents or information in the custody or control of the responding party which have not been produced because of objection, and providing a privilege log where required by Mass. R. Civ. P. 26(b)(5).***

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All documents of any kind relating to Twin City’s exposure to business interruption, civil authority, extra expense, or any other claims relating to Covid-19, and any communication, analysis, or plan as to how Twin City would analyze, approve, deny, or process such claims. This is to include all documents relating to interpretations of policies in the face of such claims, all financial communications or analyses of the financial impact of such claims on Twin City, and the like.

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Request No. 10

All documents relating to any investigation of the claims referenced in the April 23, 2020 letter prior to that letter being sent.

Request No. 11

Documents sufficient to show the number of claims related to Covid-19 reviewed by Ms. Valenzuela, including the date each claim was received and the date each claim was accepted or denied, and the reasons for each acceptance or denial.

Request No. 12

All customs, practices, guidelines, rules, claims manuals, policy manuals, industry manuals, or the like in effect from 2015 to the present, that inform or relate to how Twin City and its claims examiners interpret the phrase "direct physical loss of or physical damage to" when confronted with a business interruption, civil authority, extra expense, or other claim.

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Request No. 15

All documents reflecting the total number of Covid-19 claims received by Twin City, the number accepted and the number denied, and the reason each claim was accepted or denied.

Request No. 16

Documents relating to any other litigation stemming from Covid-19 or Twin City's denial of a Covid-19 related claim, including, but not limited to all pleadings and motions Twin City has filed or served in such litigation.

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Request No. 18

All documents relating to any business interruption, extra expense, or civil authority coverage claims brought by Massachusetts insureds under Twin City policies from 2000 to the present relating to any of the following issues: virus outbreaks, bacteria

outbreaks, gas leaks, road closures, the Boston Marathon bombings, asbestos, contaminated water, or any other claims that involved loss of access or use to property, or an imminent threat to the utility or habitability of an insured's property.

Request No. 19

All spreadsheets, databases, datasets, or any other similar compilation documents summarizing business interruption, extra expense, and civil authority claims brought by Twin City insureds from 2000 to the present. This request is to include all such documents showing the number of such claims brought, the type of such claims brought, whether the claim was paid or denied, by whom, and the reasons therefor, and any financial or other analysis done by Twin City with respect to such claims.

Request No. 20

All spreadsheets, databases, datasets, or any other similar compilation documents summarizing business interruption, extra expense, and civil authority claims brought by Twin City insureds in connection with Covid-19. This request is to include all such documents showing the number of such claims brought, the type of such claims brought, whether the claim was paid or denied, by whom, and the reasons therefor, and any financial or other analysis done by Twin City with respect to such claims.

Request No. 21

All documents in any way relating to Twin City's decision to not define "direct physical loss of or physical damage to" as used in the **Policy**. This is to include all documents showing why Twin City made the decision to leave these terms undefined.

Request No. 22


To the extent not requested above, the complete claims and customer files for the plaintiff relating to the instant claims or any other prior claims under Twin City policies.

PLAINTIFF,

By Its Attorneys,

SUGARMAN AND SUGARMAN, P.C.

Date: September 24, 2020



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Benjamin R. Zimmermann, Esq.- BBO #643920  
bzimmermann@sugarman.com  
David P. McCormack, Esq.- BBO #659006  
dmccormack@sugarman.com  
The Prudential Tower  
800 Boylston Street, 30th Floor  
Boston, MA 02199  
(617) 542-1000

Certificate of Service

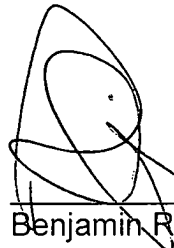
I hereby certify that a true copy of the above document was served on September 24, 2020, by mailing a copy thereof, postage prepaid, to:

APS #347A – Attn: Keith  
67 Burnside Avenue  
East Hartford, CT 06108

For service upon the following defendants at their usual place of business:

The Hartford Financial Services Group, Inc.  
One Hartford Plaza  
Hartford, CT 06155

Twin City Fire Insurance Company  
One Hartford Plaza  
Hartford, CT 06155

  
\_\_\_\_\_  
Benjamin R. Zimmermann